HISTORICAL PROBLEMS
Studies and Documents

EDITED BY PROFESSOR G. R. ELTON

Problems of Empire: Britain and India

1757-1813

P. J. MARSHALL
King's College, London

GEORGE ALLEN AND UNWIN LTD

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Studies and Documents

Edited by
PROFESSOR G. R. ELTON
University of Cambridge

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Britain and India 1757–1813

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Britain and India 1757-1813

P. J. Marshall
King's College, London

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GENERAL INTRODUCTION

The reader and the teacher of history might be forgiven for thinking that there are now too many series of historical documents in existence, all claiming to offer light on particular problems and all able to fulfil their claims. At any rate, the general editor of yet another series feels obliged to explain why he is helping one more collection of such volumes into existence.

One purpose of this series is to put at the disposal of the student original materials illustrating historical problems, but this is no longer anything out of the way. A little less usual is the decision to admit every sort of historical question: there are no barriers of time or place or theme. However, what really distinguishes this enterprise is the fact that it combines generous collections of documents with introductory essays long enough to explore the theme widely and deeply. In the doctrine of educationalists, it is the original documents that should be given to the student; in the experience of teachers, documents thrown naked before the untrained mind turn from pearls to paste. The study of history cannot be confined either to the learning up of results without a consideration of the foundations, or to a review of those foundations without the assistance of the expert mind. The task of teaching involves explanation and instruction, and these volumes recognize this possibly unfashionable fact. Beyond that, they enable the writers to say new and important things about their subject matter: to write history of an exploratory kind, which is the only important historical writing there is.

As a result, each volume will be a historical monograph worth the attention which all such monographs deserve, and each volume will stand on its own. While the format of the series is uniform, the contents will vary according to need. Some problems require the reconsideration which makes the known enlighteningly new; others need the attention of original research; yet others will have to enter controversy because the prevailing notions on many historical questions are demonstrably wrong. The authors of this series are free to treat their subject in whatever manner it seems to them to require. They will present some of their evidence for inspection and help the learner to see how history is written, but they will themselves also write history.

G.R.E.

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AUTHOR'S NOTE

In quotations from contemporary material the original spelling and punctuation have in general been preserved; capitalization has been modernized.

The following abbreviations have been used in the foot notes:

Brit. Mus. British Museum.
IOR. India Office Records.
PP. Parliamentary Papers.
PP. (1731–1800). *Parliamentary Papers Printed by Order of the House of Commons. From the Year 1731 to 1800.*

Parlt. Debates. *Cobbett's Parliamentary Debates*, continued from 1812 as *The Parliamentary Debates from the Year 1803 to the Present Time.*

Parl. Hist. *The Parliamentary History of England, from the earliest period to the year 1803.*

The place of publication of all works cited is London, unless otherwise indicated.

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INTRODUCTION

INTRODUCTORY

In a little over fifty years the East India Company was transformed from a body of traders controlling a scattered group of commercial settlements round the coasts of India into the rulers of provinces with a population popularly supposed in Britain to contain fifty or sixty million inhabitants. In 1813 the Company's dominions stretched continuously across northern India from Delhi in the west to Assam in the east. The entire east coast of the Indian peninsula was in the Company's hands together with strategic points on the west coast between Gujaret and Cape Comorin.

So vast an empire so rapidly acquired confronted Britain with problems unprecedented in their scale and their complexity. Its control and supervision were tasks which would extend the very limited capacities of an eighteenth-century state to the utmost; and political difficulties would be added to the administrative ones. To many contemporaries the delicate constitutional balance of which they were so proud seemed threatened by the wealth and resources of India, unless a means could be devised for keeping them out of politics. Once machinery had been brought into existence for governing India, what principles of government and what standards should it try to apply? Previous imperial experience was of virtually no assistance. Little as most Englishmen knew about India, it was clear that the huge population possessed a polity of their own much more sophisticated than that of African negroes or American Indians. From the outset the British were confronted with the question, which was to dominate discussion of the government of India into the twentieth century, of how far this polity should be left intact or to what extent the British should intervene in the administration of their new provinces and introduce western concepts. India also raised in an acute form questions about the treatment of subject peoples which had already begun to trouble the European conscience over such issues as slavery. In the middle of the eighteenth century the British establishments in India existed solely for commercial ends. Although the conquest of territory did not alter the fact that the primary purpose of Britain's stake in India was still to enrich the mother country, new methods had to be devised to take advantage of a radically changed situation.

This book will try to show, partly through their own words, how shareholders in the East India Company, ministers of the Crown, Members of Parliament, and such sections of the eighteenth-century

public as interested themselves in national affairs slowly became aware of the problems created by the conquest of India, and how solutions to these problems were gradually evolved, so that by 1813 the outlines of the connexion between Britain and India, which was to last until the twentieth century, are clearly visible. The book's starting point will be 1757, the date of the battle of Plassey, the preliminary to the Company's conquests. It will end with the passing of the Charter Act of 1813, which gave formal recognition to some of the solutions to Indian problems already worked out in practice. It will concentrate on three main themes: the way in which the British political and administrative systems adapted themselves to meet new responsibilities, the principles and standards which opinion in Britain tried to apply to the government of India, and the creation of new economic links between Britain and India.

This book is concerned with what happened in Britain, not with what happened in India. For instance, those sections which deal with what is commonly called 'policy' make no claim to be a history of British administrative policy in India during this period; they will try to describe what men in Britain believed ought to be done in India, which was often a very different thing from what men in India actually did. But without some knowledge of developments in India between 1757 and 1813 any attempt to portray British reactions to them would, of course, be largely unintelligible.

Regular British contact with India began in 1608 when the ships of the East India Company which had been chartered by Queen Elizabeth in 1600 started to call at Indian ports. At first the Company's operations centered on the spice islands of the Indonesian Archipelago, ships being sent to India only to obtain goods which could be exchanged for spices; but by 1613 the Company had established a permanent post at the west coast port of Surat and a regular direct trade between Britain and India began. Other posts were established at Masulipatam and later at Madras on the Coromandel Coast, the south-east coast of the Indian peninsula, and at Hughli, subsequently moved to a new settlement called Calcutta, on the delta of the Ganges in the province of Bengal. In 1668 the Company obtained the island of Bombay which had been acquired by Charles II from the Portuguese. Throughout the seventeenth century the Company's Indian imports, chiefly of cotton cloth, indigo and saltpetre, increased, while its trade in pepper with the Archipelago declined. With increased trade some of the Company's posts became the centres of sizable towns. Privileges were obtained from local rulers making the Company autonomous in its three most important settlements, the 'Presidency' towns of Madras, Calcutta, and Bombay, which were placed under the rule

of Governors and Councils appointed from the Company's 'servants', fortified, and garrisoned by small forces of Indian and European soldiers.

The Company's influence remained almost exclusively confined to its coastal settlements until the mid-eighteenth century, when in an astonishingly short space of time large parts of India were to be brought under its control. This wave of expansion was in no sense the fulfilment of plans of conquest drawn up at home. In 1767 the Secretary of the East India Company told the House of Commons that 'the general tenor of the Company's orders were not to act offensively.... We don't want conquest and power; it is commercial interest only we look for'. He lamented that military operations 'grew insensibly from one trouble to another—we could form no judgement of their progress'.[1] This would have been true at any time between 1757 and 1813. The East India Company invariably regarded conquest as incompatible with trade, and the initiative for conquest always came from the Company's servants in India, although it is usually difficult to see any systematic design for acquiring territory in the policies they pursued. To argue that the Company servants did not plan their conquests is not, however, the same thing as arguing that the British in India were the victims of circumstances, or, as used sometimes to be claimed, that empire was forced upon them. As a general proposition the majority of the Company's servants agreed that the conquest of Indian provinces was not in the Company's best interests, but they rarely exercised the restraint in their relations with Indian powers which would have enabled them to avoid war and the acquisition of territory after a successful war.

The intensity of European rivalries and the weakness of political authority in many parts of eighteenth-century India provided the opportunities for the first of the Company's conquests. The British were not the only European traders to establish settlements in India. Among others, Britain's traditional enemies the French were also trading from fortified posts. The French and the English companies kept the peace in the Indian Ocean until 1744 when open hostilities broke out on the Coromandel Coast. As the fighting spread, local Indian rulers, who in the past had tried to restrain the Europeans, became auxiliaries in their struggles. In several of the states which had become virtually independent with the collapse of effective Mughal control, conflicts for power took place in which the contenders were prepared to play the very dangerous game of trying to enlist the Europeans on their side. The British and French were willing to accept such offers in order to secure Indian rulers who would aid them against their own

[1] Robert James's evidence, Brit. Mus., Add. MS. 18469, ff.77, 84.

rivals. Neither side seems to have been aware of the full implications of this kind of warfare. If an Indian claimant won his throne with European help the price he would have to pay would be a high one: he would become the puppet of the victorious Europeans, bound to submit to an ever increasing degree of interference in his government. On the other hand, while the purposes of the Europeans might at first be limited to securing extra resources for their own wars, by intervening in Indian politics they had often taken the first step which would end in total annexation. The Anglo-French struggle for mastery over south India lasted from 1744 to 1761. It ended in a complete British victory. British candidates were established in control of the main south Indian state, Hyderabad, and of the coastal area called the Carnatic; Hyderabad was to remain a dependent ally, the Carnatic to lose more and more of its independence until it was annexed in 1801.

Even before they finally won domination in south India, the British had achieved supremacy in Bengal. In 1756 the East India Company's settlement at Calcutta had incurred the displeasure of the young Nawab of Bengal, Siraj-ud-daula, who captured and sacked it. An expedition was immediately sent from Madras under Colonel Robert Clive, the most successful British commander in south India, who succeeded in recovering Calcutta. Clive then decided to repeat the gambit already attempted in the south, and to substitute for Siraj-ud-daula a Nawab who would be an ally of the British. He was able to achieve this after the battle of Plassey. But events in Bengal were to show that securing the throne of an Indian state for a favoured claimant was only the beginning of an increasing degree of British intervention. Successive Nawabs who resisted the demands which the Company made on its satellites were replaced by others more pliant, until in 1765 Clive, returning to India as Governor of Bengal, for the first time formally accepted British responsibility for the government of an Indian province when he received the *diwani*, or revenue administration, of Bengal from the hands of the Mughal Emperor.

The collection of territorial 'revenue' had been the main function of Mughal administration and was for a long time to come to be the main function of the new British administrations as well. To eighteenth-century Englishmen, Indian territorial revenue seemed to have some of the qualities of rent and some of the qualities of a tax on land. It was collected in the first instance from the cultivators of the land as a proportion of their crop. Through a host of intermediaries, all of whom kept some portion of it for themselves, it reached the *diwan*, or finance minister of the province, who in his turn was supposed to pay a part of what he received to the Emperor at Delhi. After 1765 the East India Company was the *diwan* of Bengal. Clive hoped that the system of collecting revenue would continue as before, with

the Company merely receiving the revenue paid to them by the existing Indian officials and transmitting to Britain the huge surplus which he anticipated after the costs of governing Bengal had been defrayed. But too much was at stake for so limited a role to be possible. Once the Company had acquired an interest in the revenue of an Indian province they were invariably drawn deeper and deeper into the minutiae of Indian government, however hard they might struggle to avoid new responsibilities. To ensure that the Company got what its servants believed was its due share of the revenue and to control the opportunities for embezzlement and oppression, which the complexities of the system provided so liberally, more and more detailed European supervision was thought necessary. The functions of the *diwan* included the administration of civil justice, and this again was thought to require direct European supervision. Throughout Bengal, and later throughout British India as a whole, Indian officials were gradually weeded out as unworthy by European standards. Under Clive's successors, especially in the administrations of Warren Hastings from 1772 to 1785 and that of Lord Cornwallis from 1786 to 1793, the methods by which British officials would endeavour to administer Indian provinces were evolved with much trial and error.

With the acceptance of the *diwani* Clive hoped that he would be able to set a limit to the Company's territorial expansion at the boundaries of Bengal, and that acting upon 'those principles of moderation which are so consistent with the true interest of a trading company',[2] the East India Company would in future live in peace with its Indian neighbours. Although his hopes were shared by all those who succeeded him, at least until the arrival of Lord Mornington, the future Marquess Wellesley, in 1798, war and conquest continued. As a major territorial power, the Company could not afford to cut itself off from the tangled diplomacy of the states which had sprung up in the ruins of the Mughal empire. Warren Hastings felt it necessary to draw Indian rulers into the Company's orbit, either to maintain a cordon of friendly states round the Company's own provinces or as an insurance against a French revival. Where his policy was successful and a state, such as Oudh, entered into closer relations with the British, the familiar pattern of a slide towards total British domination repeated itself; where Hastings was rebuffed, as was the case with the states of the Maratha Confederacy, he was prepared to back his diplomacy with military force. Cornwallis was more circumspect than Hastings, but like Hastings he believed that the Company had interests outside its provinces and in 1790 fought the south Indian state of Mysore in defence of one of these interests.

[2] Letter to Walsh, 14 October 1764, India Office Library, MS. Eur. D 546/iii–vii, ff.99–100.

After 1798 the hesitations of the past were gradually abandoned by Wellesley. If even he did not regard the conquest of territory as an end justifiable in itself, he was determined to resolve the problem of an unstable Indian political world once and for all by imposing stability on it. The Company was to be arbiter, and the Indian states were to accept the places allotted to them or be coerced. Only thus would the peace of India be permanently maintained and all possibility of French intervention be excluded. Those states that refused to accept the new dispensation were subjugated by British power and made to surrender territory as an indemnity. Mysore, which had opposed the Company for so long, was brought to heel in 1799; two of the Maratha chieftains were crushed in 1803; and a third attacked in 1804. Wellesley also formally annexed the Carnatic and large tracts of Oudh, both of which had been client states of the Company for some forty years.

Wellesley's victories and annexations achieved their purpose. When he left India in 1805 Britain had nothing to fear from any combination of Indian powers, and all traces of French influence, however hypothetical, had been eliminated. The process of territorial expansion was by no means over, but the British were already in a position of unassailable supremacy.

State and Company

THE new British territories in India were conquered by troops for the most part employed by the Company and not by the Crown; they were to be governed, in the name of the East India Company and not of George III, by the servants of the Company not by royal officials. It was not, however, by conscious choice or deliberate policy that a new empire came to be entrusted to a trading company. Most contemporaries were only too aware of the East India Company's deficiencies. It was universally accepted, as Lord North put it in 1781, that 'the interests of this country were intimately connected with India, and any mismanagement there might be to the last degree dangerous to Great Britain'.[1] Yet was an object of such national importance to be left to a body of merchants, who neither in London nor in India had any obvious qualifications for ruling an empire, and who were subject in the last resort to the wishes of an assembly of shareholders which at any time included a substantial number of foreigners and (perhaps even more upsetting to eighteenth-century susceptibilities) of women? As John Robinson, North's Secretary to the Treasury, wrote in 1778, to any man who thought about the matter, turning the Company into an imperial power must seem 'absurd and preposterous' (Doc. 4).

The record of the Company in the twenty years after it had made its first conquests can have done nothing to allay the forebodings of those who believed that it would be unable to adapt itself to the new role thrust upon it. Both in India and in London the Company seemed manifestly to have failed to measure up to its responsibilities. State intervention to secure an object of so much importance to Britain appeared inevitable, and to many it seemed likely that the state would assume direct responsibility for the government of the new Indian provinces, confining the Company to the trading functions for which it had been brought into being.

State intervention certainly took place, but the Company survived

[1] *Parl. Hist.* xxii. 113.

as a body governing India as well as trading with it. In 1813, at the end of the period dealt with by this book, British India was still ruled in the name of the East India Company, and it was more or less taken for granted that the Company would continue to rule it for the foreseeable future. The Company was to cease to exist as a commercial body long before it lost its political authority. Any attempt to explain why the Company kept its territorial powers for so long must begin by stressing that to some extent the outcome was purely fortuitous. The authority of the British Crown over the new provinces would have been openly declared in 1767,[2] and in 1783 the control of the government of India at home would have passed openly to the state,[3] had it not been for twists in British domestic politics which owed nothing, or virtually nothing, to Indian issues. Yet, having admitted this, it remains true that there were important considerations which ensured the survival of what contemporaries often called 'the solecism' of a trading company ruling a great empire. These considerations throw interesting light on eighteenth-century views of the functions of the state and the limits which ought to be set on its powers.

The Company was never willing to relinquish its newly-won position in India without a struggle, and when threatened with state intervention it could deploy a number of arguments, partly of right and partly of practical expediency. If the Company declined to accept control, in the last resort it could only be coerced by Act of Parliament. Such coercion was difficult for an eighteenth-century government to apply since it had wider constitutional implications; and in any conflict with the national government the Company was likely to win sympathisers who regarded these constitutional questions as more important than the rights and wrongs of Indian government. The Company maintained that it enjoyed its privileges on the security of charters first granted to it by the Crown and confirmed since 1698 by Parliament. Any abridgement of its privileges would therefore be a violation of chartered rights, one of the bulwarks of the subject's liberties against executive despotism. Few men seriously contended that charters could not be revised by Parliament as circumstances altered or for the greater good of the community, but this could only be done with the utmost circumspection and after exhaustive investigation, and in practice any attack on chartered rights was liable to produce a general outcry. In 1783 one of the Company's defenders warned the House of Commons that if the East India Company's charter were invaded, that of the Bank of England would follow, and then 'what security could any individual have for his private property'?[4] Twice

[2] See below, pp. 30–1.

[3] See below, p. 40.

[4] This was said by William Grenville, *Parl. Hist.* xxiii. 1226.

when the Company was under attack the City of London, the greatest chartered body in the kingdom, petitioned the House of Commons on its behalf (Doc. 1).

If the state were to assume responsibility for the government of India this would inevitably lead to some increase in its powers and resources. Such an increase was thought to be fraught with constitutional perils. When presented with a letter from Clive in 1759 suggesting that the success of British arms in Bengal was creating 'an object too extensive for a mercantile company', the elder Pitt's first reaction was to point out that a large Indian revenue in the hands of the Crown would 'endanger our liberties'.[5] Fear of a large revenue independent of Parliament later gave way to fears of a vast increase in royal patronage by which Parliament would be subverted. The patronage bogey was to have an extraordinarily long life. Even in 1813 a leading politician was still maintaining that if the Crown obtained Indian patronage, 'it was impossible that the last shadow of freedom could remain in this country'.[6] It was argued that if the Crown appointed men to lucrative situations in India it would be able to bargain for the political allegiance of many prominent families. Furthermore, the network of employees in the Company's offices and warehouses or in the London dockyards would, in the government's hands, create the sort of influence enjoyed by a department like the Admiralty. If 'the places and pensions and expectancies furnished by the British establishment, are too powerful for the small remains of patriotism and public spirit in our island, what, then, will become of us', asked Burke, 'if Bengal, if the Ganges pour in a new tide of corruption?'[7] Armed with the Company's patronage, John Wilkes believed that even 'the most drivelling minister' could not fail to subdue the House of Commons.[8]

A government confident of its majority in Parliament and convinced of the need for action could of course bring the Company to heel. But prejudices in favour of chartered rights and against a strong executive ensured that no government would willingly pick a quarrel with the Company and that its privileges would be handled with great care. To weak administrations the Company presented a very formidable obstacle indeed. The slowness and ineffectiveness with which successive administrations responded to the problems raised by India can largely be explained by their weakness or later by their preoccupation with America and with war. Even after 1784, governments were still wary of bringing a conflict with the Company before Parliament. In 1788

[5] G. W. Forrest, *The Life of Lord Clive*, 1918, ii. 175–8.
[6] This was said by George Tierney, *Parlt. Debates*, xxvi. 526.
[7] *Parl. Hist.* xvii. 672.
[8] *Ibid.* xxiv. 18.

the younger Pitt found his majority seriously reduced on an Indian question.[9] In 1801 Addington was said to fear 'clamour ... as to chartered rights', and went to considerable lengths to keep a crucial Indian issue out of Parliament.[10] On the only occasion on which the popular appeal of slogans about the rights of the Company or Indian patronage was put to the test, that is in the general election of 1784, the evidence suggests that they had no mean effect.[11]

Even if the political objections to an assumption of state control over India could be overcome, there were still very serious practical difficulties. With the purposes of eighteenth-century government largely limited to the conduct of foreign policy, the direction of the armed forces, and the administration of the finances, its machinery was correspondingly meagre and there was a shortage of effective personnel. In 1773 Burke argued that: '... the East India Company, annexed as an appendage to the British Empire, rendered the whole an object of too vast a magnitude for the capacity of any administration whatever to grasp.'[12] In a pessimistic analysis of the problem, John Robinson, a man of great administrative experience, doubted whether the national government could be any more successful than the Company had been in ruling India and believed that error and discredit were inevitable (Doc. 4).

India thus presented eighteenth-century governments with a problem of great delicacy. On the one hand, thanks to the deficiencies and failures of the Company, the need for action was obvious. On the other, action was politically hazardous and a collision with the Company could have serious consequences. Expedients must therefore be devised which while effective would not arouse antagonisms. It was along these lines that most governments tried to tackle the problem, and it was these considerations that determined the solution finally evolved in the relations between the state and the Company: the Company retained the outward semblance of power, but most of the substance was in effect transferred to the state.

In spite of the revolution in its affairs which took place in India, the structure of the East India Company changed comparatively little between 1757 and 1813. Ultimate authority within the Company rested with the holders of India stock assembled as a Court of Proprietors or, as it was more generally known, as a General Court. Since 1698 the sole qualification for voting in a General Court had been

[9] See below, p. 50.

[10] *The Correspondence of David Scott*, ed. C. H. Philips, 1951, ii. 395. For the issue involved, see below, p. 99.

[11] See below, p. 42.

[12] *Parl. Hist.* xvii. 835.

ownership of £500 of stock (Doc. 30); no one was excluded on grounds of nationality, religion or sex. The General Courts voted by ballot for the Company's Directors, declared the dividend, made by-laws, and until 1784 could discuss any issue concerning the Company and pass resolutions binding on the Directors. The General Court met quarterly and on other occasions when at least nine proprietors called for a meeting. In 1752 there were 2,140 shareholders in the Company[13] and in 1793 approximately 2,700.[14] The number of shareholders entitled to vote in 1772, before the voting qualification was doubled, was 2,150; in 1795 there were 1,500 qualified voters and in 1806 1,800.[15] From surveys of the stockholders at the beginning and towards the end of the period covered by this book, it would seem that their composition changed little.[16] For most of the period East India stock was regarded by contemporaries as a sound, unspectacular investment, 'the nearest eighteenth-century equivalent of a "gilt-edged" security'.[17] The great majority of individual shareholders were resident in London, but there was also a sizable foreign element, nearly all of whom were Dutch: in the 1750s approximately a quarter of the Company's stock was in foreign hands; in the 1780s nearly a fifth was still foreign-owned; but thereafter the figure drops very sharply. During the first half of the eighteenth century East India stock was notable for the increasing number of holdings worth between £1,000 and £5,000, and a large preponderance of medium-sized holdings of this type seems to have been characteristic of the stock in the whole period before 1813.

Every March (later changed to April), twenty-four shareholders, owning at least £2,000 of stock, were chosen to act as Directors of the Company. The Court of Directors met at least once a week as a body and transacted a great deal of business in an elaborate system of committees. As the executive government of the Company, the Directors were responsible for the conduct of every aspect of its activities, the clerks in London and the servants in India being appointed by the Directors and taking their orders from them. In the 1750s the great majority of Directors appear to have been London merchants for whom the East India Company was only one of several interests which they might have in banking, overseas trade, or shipping. Such men were still the dominant element in 1813, although by then any Court would also include a good proportion of Directors who had spent the early

[13] P. G. M. Dickson, *The Financial Revolution in England*, 1967, p. 285.

[14] F.R[ussell], *A Short History of the East India Company*, 1793, p. 19.

[15] H. Furber, 'The United Company of Merchants Trading to the East Indies, 1783–96', *Economic History Review*, x, 1939–40, p. 138.

[16] Dickson, pp. 285–99, 309–26; Furber, pp. 138–47.

[17] L. S. Sutherland, *The East India Company in Eighteenth-century Politics*, Oxford, 1952, p. 42.

part of their lives in India.[18] There were obvious disadvantages in entrusting the government of an expanding empire to men of whom it was still being said in 1792 that they had 'too much business of their own, to admit of their giving sufficient attention to that of the Company'.[19] The classic example of an ill-informed Director was said to be the one who asked Clive whether 'Sir Roger Dowlat' [Siraj-ud-daula] was a baronet.[20] But these disadvantages were to some extent offset by the way in which power in the Company tended to concentrate in the hands of a few individuals, often men of outstanding ability. Each year the Court of Directors chose a Chairman and a Deputy Chairman. The 'Chairs', as they were called, were the real driving force in the Company. The Chairman attended almost continuously at the India House in Leadenhall Street and thus had a detailed knowledge of the Company's affairs which his colleagues could rarely acquire. He arranged the business to come before the Court, much of whose time was taken up with ratifying decisions already worked out in advance. The great Chairmen, such as Laurence Sulivan, Francis Baring, or Charles Grant (names which will recur frequently in this book), dominate the history of the Company to a remarkable degree.[21]

The Company was once described as potentially 'the most democratic body that ever existed' (Doc. 4). The shareholders elected the Directors each year, and until 1784 they could intervene whenever they chose in the running of the Company. For a time in the second half of the eighteenth century democracy did run riot: elections were bitterly contested, power changed hands frequently, and major decisions of policy were taken or reversed in clamorous General Courts. But in general the Directors were able to maintain a close hold over the shareholders. Once a man was chosen as a Director he could be virtually certain that he would serve continuously for long spells only broken by the requirements of a by-law of 1735 that he must withdraw from the Court every fifth year. At most periods it was unusual for decisions taken by the Directors to be challenged by the General Court. The way in which the Directors maintained their control was not unlike the way in which a successful administration survived in

[18] There is a rough analysis of the background of the Directors after 1784 in C. H. Philips, *The East India Company 1784–1833*, Manchester, 2nd ed., 1961, pp. 335–7. An interesting detailed one for 1794 occurs in *The Debate at the East-India-House, on Wednesday, the 17th December, 1794*, 1794, p. 92.

[19] This was the opinion of an official of the Board of Control, IOR, Home Miscellaneous, vol. 399, p. 36.

[20] [J. Price], *Five Letters from a Free Merchant in Bengal, to Warren Hastings, Esq.*, 1778, p. 136.

[21] On the role of the Chairman, see *History of the Leader in the India Direction*, nd, [*c.* 1764], pp. 15–21; Philips, *East India Company*, pp. 13–14; A. T. Embree, *Charles Grant and British Rule in India*, 1962, pp. 205–7.

the House of Commons. The loyalty of the shareholders rested on their confidence in the Directors' ability to manage the Company's affairs successfully, combined with the judicious use of the extensive patronage which the Directors derived from their right to make all appointments in the Company.[22] With the important exception of a period of some twenty-five years, power in the East India Company tended, as in other eighteenth-century corporate bodies, to become increasingly exclusive and self-perpetuating. By the beginning of the nineteenth century accusations that the Company was 'a permanent fixed body' or 'a very powerful, and dangerous aristocracy' had become commonplace.[23] Oligarchy no doubt had its disadvantages; but the confusion created when the Company broke up into competing factions in the 1760s and 1770s and democracy asserted itself was very much worse.

The stability of the Company seems ultimately to have depended on the existence of a rough consensus among the shareholders as to what its purposes were. So long as most shareholders regarded their stock as a secure longterm investment paying a regular dividend of 7 or 8 per cent, which was the rate at which the Company divided every year from 1722 to 1755,[24] they appear to have been content to entrust control of the Company to men who had proved themselves capable of managing its interests successfully. Such a consensus evidently existed in the first half of the eighteenth century, although in so large an organization there were inevitably some conflicts between sectional interests. But with the conquest of India men began to look to the Company for more than a secure investment and a regular dividend. Groups of shareholders were no longer content to trust to the leadership of the traditional type of Director, but were determined to take control of the Company and to adapt its policy to their own ends, ends which might well be at variance with those of other groups of shareholders equally anxious to seize control. The system of annual elections and the powers enjoyed by General Courts gave full scope for such warfare. As the contests became more intense, since all that was needed for a vote at a Company election or at a General Court was £500 of stock, the temptation to create extra votes by what was known as 'splitting' stock became irresistible. 'Splitting', that is dividing large sums of money into nominal qualifications of £500 to provide extra votes, began on a large scale in 1763.[25]

The most important single reason why the consensus of opinion

[22] Sutherland, *East India Company*, pp. 33–6.

[23] This was said by Sir William Pulteney on 25 November 1801, *Parl. Hist.* xxxvi. 286.

[24] *Reports from Committees of the House of Commons*, 1804–6, iv. 73–4.

[25] Sutherland, *East India Company*, pp. 100–3.

within the Company broke down was that after the conquest of Bengal the value of service in India suddenly became very greatly enhanced. Men began to buy India stock not as a conventional investment, but as a means of ensuring that either they themselves or their connexions would obtain lucrative appointments in India. Nomination for the most valuable posts, such as the Governorships of the Presidencies, became an issue at Company elections. Successful candidates would be obliged to build up a large following among the shareholders by spending heavily to create votes or by promising to further the careers in India of the relatives of those who were willing to vote for their appointment. The first major contest to control appointments in India took place in 1757, setting the precedent for the much more spectacular conflicts which were to rage round Robert Clive. Clive returned to England in 1760 with a large fortune, in the defence of which he was drawn into bitter rivalry with Laurence Sulivan who had been the dominant figure in the Court of Directors for some years. The election of 1763 was the first at which their struggle for mastery of the Company was fought out at immense expense. Sulivan's account of what happened in 1769 (Doc. 2) both illustrates the lengths to which these contests went and the value of the prizes in India which were at stake. The elections of the 1770s were less hectic, but the Company was still divided into factions in which contenders for office in the Court of Directors were allied with contenders for office in India. Even comparatively junior servants believed that a successful Indian career could only be achieved with adequate support from home. One of them wrote in 1773 that he thought it indispensably necessary for servants abroad to 'interfere in the election of Directors and to solicit notes of their friends for the nomination of men under whose orders they are to act'.[26]

Men who regarded their holding of stock as a stake in the scramble for wealth in India did most to disrupt the Company. But there were others who bought stock as a means of manipulating the Company to further their own interests. One example was the group who tried to make quick capital gains by forcing the Directors to raise the dividend in 1766, thus driving up the price of India stock which had already risen sharply on the news of the acquisition of the *diwani* by Clive.[27]

To make the confusion worse, national politics began to intrude into Company politics. This was by no means a new phenomenon. In the late seventeenth century, when there had been two East India Companies in existence, Members of Parliament had taken out qualifica-

[26] 'The Letters of Mr Richard Barwell, vii', *Bengal Past and Present*, xi, 1916, p. 265.

[27] Sutherland, *East India Company*, pp. 141 ff.; J. N. M. Maclean, *Reward is Secondary*, 1963, pp. 153 ff.

tions in Company stock and Directors had stood for Parliament.[28] During the first half of the eighteenth century there had been something of a lull, although the Company had never been able to stand entirely aloof from national politics. It needed the support of the government of the day for the defence of its privileges from potential rivals, while, as one of the great 'monied companies' of eighteenth-century London, its allegiance in city politics and its financial assistance were essential to the government. As a corporate body the Company had lent £4,200,000 to the public, and as individuals its Directors took a prominent part in underwriting government loans.[29] The long period of stability in the Court of Directors coincided with the equally long period of stable administrations under Walpole and Henry Pelham, leading to harmonious relations between government and Company. In both Leadenhall Street and Whitehall continuity ended at approximately the same time, and in the confusion of the 1760s politicians tried to cultivate a following in the Company, while contenders for power in Leadenhall Street endeavoured to involve national political figures on their side. An increasing number of Members of Parliament once again began to take out qualifications in India stock, to vote at General Courts, or even to make speeches there. At the same time, the number of men who had close connexions with the Company elected to Parliament grew rapidly: two Directors sat in the Parliament of 1754–61, eight in 1761–68, and thirteen in 1768–74.[30]

Had the organization of the Company in London been working smoothly, it would still have been extremely difficult for it to have exercised effective control over its new conquests in India. Most of the Directors had no first-hand knowledge of Indian conditions, and the experience of those who had been to India was of little relevance to their new responsibilities. The almost insuperable problem, however, was that of distance. As Warren Hastings put it, Bengal was 'at what may be call'd a distance of two years' from London.[31] Since the average sailing time from London to Calcutta was six months, the Directors were always six months behind events in India. Under the most favourable conditions a Governor could not know the Directors' reactions to a situation for at least a year, and for very much longer if he chose to

[28] R. Walcott, 'The East India Interest in the General Election of 1700–1701', *English Historical Review*, lxxi, 1956, pp. 223–39.

[29] L. S. Sutherland, 'Samson Gideon and the Reduction of Interest, 1749–50', *Economic History Review*, xvi, 1946, p. 19.

[30] Sir L. Namier and J. Brooke, *The House of Commons 1754–90*, 1964, i. 150–2.

[31] In his evidence to the House of Commons in 1767, see Brit. Mus., Add. MS. 18469, f. 20.

prevaricate. For any sort of control to be maintained, continuity of personnel was essential. If the Court of Directors changed from year to year with the annual elections and orders sent one year were reversed the next, the servants in India could defy them with impunity. This is precisely what happened. In 1765 when a Bengal servant was accused of disobeying the Directors' orders against taking presents from Indians, he replied that as such orders were 'so fluctuating', they were not taken seriously.[32] To make matters worse, the alliances existing between men in India and men in Leadenhall Street, cemented by Indian patronage and Indian wealth, suggested that the Directors were often in collusion with the servants. Critics of the Company were beginning to coin the slogan, so often to be repeated in the future, that the servants had become the masters.

The failings of the Company were cruelly exposed by events in India. Most of the news reaching Britain in the 1760s was disquieting. There was little to suggest that the new conquests were being consolidated. Instead, there were constant reports of wars, famines, the overthrow of Nawabs, and the indiscipline of the Company servants. Vigorous action was clearly needed, which a distracted East India Company was hardly in a position to take.

If the Company could not control its servants, there was obviously a case for action by the state. As early as 1766 the financier Thomas Walpole was suggesting that the government might have to 'take the charge of that which is too unwieldy for a subordinate body of merchants'.[33] But only too aware of the difficulties and hazards involved, the succession of weak administrations which lasted until Lord North established himself in the 1770s, showed no inclination to take on fresh commitments. In fact, the first parliamentary incursion into the affairs of the Company began as a predatory raid on the Company's new riches rather than as an attempt to impose reforms upon it.

The wealth of Bengal attracted the attention of the administration formed in 1766 by William Pitt the elder, Earl of Chatham. Chatham's intentions are vague, but it seems that he hoped that Parliament could be persuaded to establish the principle that the new conquests in India belonged of right to the Crown and not to the Company. Having carried this point, Chatham would then have made terms with the Company, permitting them to administer their Indian provinces in return for a large payment to the state. The revenues of India would thus become 'the *redemption* of a nation, . . . a kind of gift from

[32] *Reports from Committees of the House of Commons*, iii. 431.

[33] *The Correspondence of William Pitt, Earl of Chatham*, ed. W. S. Taylor and J. H. Pringle, 1839–40, iii. 62.

heaven'.[34] But with his own health failing and with his government deeply divided, Chatham could not control his ministers, let alone impose terms on the Company. His plans were chiefly thwarted by his own Chancellor of the Exchequer, Charles Townshend, who for reasons which probably included his own pecuniary advantage was anxious to keep the affairs of the Company out of Parliament.[35] After protracted and tortuous negotiations a compromise was evolved: the question of the Crown's right to the new conquests was left undecided, but the Company agreed to pay £400,000 a year to the Exchequer. Chatham having failed to enforce the Crown's claim, no other administration was to attempt to do so until 1813. Although the House of Commons resolved in 1773 'that all acquisitions made under the influence of a military force, or by treaty with foreign princes, do of right belong to the state',[36] the 1767 compromise was to be renewed at intervals for the next forty-six years. On each occasion the Company's *de facto* possession of the Indian provinces was acknowledged, and on each occasion the Company promised some contribution to the Exchequer, which it was rarely in a sufficiently healthy financial position to make. It was not until the 1813 Charter Act that the 'undoubted sovereignty of the Crown of the United Kingdom' over British India was formally proclaimed.[37]

The 1767 intervention can hardly be called a constructive attempt to solve the Company's problems, although two reforms of some importance did emerge as an incidental result of it. The first was an Act which put a limit on the size of the Company's dividend to prevent irresponsible increases voted by the General Court.[38] The second was an attempt to restrict 'splitting', or the creation of extra votes for Company elections.[39] The episode did, however, serve to indicate the sort of issues which would be raised by closer relations between the Company and the state, and the way in which political groups would react to these issues. With varying degrees of enthusiasm, Chatham and the ministers who followed his lead had asserted the right of the state to the territory acquired in India.[40] There had also been a parliamentary inquiry into the affairs of the Company, which, even if it had been

[34] *The Autobiography and Political Correspondence of Augustus Henry, 3rd Duke of Grafton*, ed. Sir W. R. Anson, 1898, p. 110.

[35] He was speculating heavily in India stock at this time (Sir L. Namier and J. Brooke, *Charles Townshend*, 1964, pp. 159–60, 167).

[36] *Journals of the House of Commons*, xxxiv. 308.

[37] 53 Geo. III, c. 155, sec. 1.

[38] It was not to exceed 10 per cent (7 Geo. III, c. 49).

[39] By a provision that all voting qualifications must have been held for six months (7 Geo. III, c. 48).

[40] In 1773 Chatham maintained that he had only advocated a 'mixed right' between Crown and Company (*Chatham Corr.* iv. 264–5).

indecisive and ineffective, set a precedent for further inquiries. On the other hand, the groups in opposition, notably the followers of George Grenville and the Marquess of Rockingham, had objected to the attempt to obtain a revenue from the Company and even to the limited interference in its affairs implied by the fixing of its dividend. Judging from the meagre accounts of the debates which survive, arguments about the 'sacredness of charters'[41] seem to have been given a full airing; although Edmund Burke later maintained that while defending the Company's independence, the Rockingham group had at least conceded that Parliament had a duty to 'superintend the affairs of this Company as well as any other matter of publick concern' and to see that the Company 'did not abuse its charter privileges, or misgovern its Asiatick possessions'.[42]

Although the first intervention by the state in 1767 left Indian problems much as they were, the Company made some realistic attempts to put its own house in order. But by 1772 the situation seemed to have got beyond the Company's control, and pressure was building up for further action by the government. The failure of the Company's administration in India was making itself felt in two ways, both of which will be discussed in detail in subsequent sections. In the first place, allegations of rapacity and brutality by Englishmen in the East were being widely circulated and widely believed. Many of the allegations were specifically directed against Clive and were carefully promoted by his often disreputable personal enemies. Whatever may have been the motives of the accusers, the accusations aroused genuine indignation in Britain and eventually led to demands for state intervention to enforce proper standards of government in India. Many men might have been willing to tolerate dubious methods of ruling India if their results had been to enrich Britain. But in the autumn of 1772, in the midst of a general crisis of credit,[43] the Company suddenly declared itself unable to pay its creditors or its shareholders' dividends. The underlying cause of this alarming state of affairs was that instead of receiving the large surpluses from the territorial revenues of India, which had been promised after the acquisition of the *diwani,* the Company was in fact receiving bills of exchange drawn upon it for the money which its servants in India had been obliged to borrow because they were spending more than the Indian revenues yielded.[44] Thus as a result of apparent mismanagement by the Company's servants, far

[41] This phrase was attributed to Grenville (Horace Walpole, *Memoirs of the reign of George III*, ed. G. F. R. Barker, 1894, ii. 289).

[42] *The Correspondence of Edmund Burke*, Cambridge, 1958–, ii, (ed. L. S. Sutherland), p. 385.

[43] Sutherland, *East India Company*, pp. 223–4.

[44] See below, p. 84.

from being the source of wealth which had been so confidently anticipated, India threatened to become a national liability.

When the controversies over Clive and the alleged misdoings of other Company servants had come before Parliament in 1772 Lord North's administration had not taken the lead and had allowed a Select Committee with a membership drawn from all parts of the House to conduct investigations.[45] But when the financial crisis broke in the autumn the government could no longer stand aside. As a pamphleteer had written a few years earlier, the collapse of the Company would affect 'the whole publick credit of the kingdom, and almost renew the disasters of the South-Sea year'.[46] The Company must be helped, but the price of help would be reforms that would ensure that a similar crisis did not occur again and that would allay anxieties about scandals in India. Parliament was recalled in November 1772 and a government-controlled Secret Committee was immediately appointed to examine the Company's finances. In the next few months the conditions on which the government would agree to rescue the Company by lending it money were worked out. North hoped that reforms would be accepted voluntarily by the Company rather than being dictated to it by Parliament. This proved possible with the Court of Directors but not with the shareholders as a body, who refused to make concessions without a fight. They were supported by the parliamentary opposition and especially by the Rockingham group, who saw state intervention as a sinister attempt to enlarge the power of the executive by capturing East Indian patronage. Their obsession with the constitutional dangers of the government's proposals led them to minimize stories of abuses in India as deliberately exaggerated to provide a pretext for state encroachment. Spirited as the resistance in the House of Commons and Leadenhall Street was, it did not prevent the passing of the measure known as Lord North's Regulating Act of 1773 (Doc. 3).

The Regulating Act of 1773 was the first serious attempt to tackle the problems of Indian government by legislation. In its clauses, and in those of the other Bills to succeed or amend it which were to be drafted over the next few years, it is possible to detect two main purposes. Some of the Act's provisions were clearly aimed at reforming the Company by remedying the defects in its system both in India and in Britain which had become so obvious in the past few years. Stability was to be restored to the Company in London, while abuses in India were to be corrected and an effective system of government established there in proper subordination to the authorities at home. The assumption behind these clauses was presumably that a reformed Company set on its feet again would be capable of ruling its new con-

[45] See below pp. 54–5.

[46] *State of the East India Company's Affairs . . .*, 1768, p. 2.

quests on its own. There were, however, other clauses, apparently based on different assumptions. Provisions were included which would give the national government a permanent role in supervising the administration of India. These provisions were very limited in scope and the need for adding to them quickly became apparent, but they made a definite breach in the Company's independence.

Those parts of the Act which dealt with the Company's administration at home tried to restore the continuity of leadership which had existed in the early eighteenth century and to strengthen the authority of the Court of Directors both against the General Court and against the servants in India. Instead of having to submit to annual elections, a Director was to hold office for four years. As six Directors were to come to the end of their four-year period every April, the annual elections would be for these six places and not for the whole twenty-four. The electorate was to be reduced in size, presumably to make it more amenable to control by the Directors, by raising the qualification for a vote from £500 to £1,000, and large shareholders, who were assumed to hold their stock as an investment rather than for political reasons, were given extra votes. The practice of creating votes by 'splitting' stock was virtually eliminated by the clause which laid down that a qualification of £1,000 had to be held for a year before its owner was entitled to vote.

The Indian provisions of the Act followed the lines of reforms already attempted by the Company. A new authority was to be set up in India, containing men of the highest calibre who could be persuaded to serve on it, and entrusted with powers which, it was hoped, would enable them to discipline the Company's service and to enforce the orders which they received from home. These powers were to be given to a Governor General, who with four others was to make up a Supreme Council, resident in Calcutta but with some authority over the other Presidencies. The members of the Supreme Council were to hold office for five years and were specifically named in the Act: Warren Hastings, already Governor of Bengal, was confirmed as Governor General, and he was given three colleagues chosen in Britain from outside the Company's service together with one who like him was already in Bengal. Some recent malpractices were declared illegal (Doc. 14), and a court was set up at Calcutta with judges appointed by the Crown to make redress accessible to Indians and to deter Europeans.

The veteran Company politician Laurence Sulivan believed that the Regulating Act would put 'the entire management of the Company at home and abroad' into the hands of the government, and gave it as his opinion that Lord North was 'the boldest minister this realm has been blest with since the days of Oliver Cromwell'.[47] At first sight,

[47] Undated letter to Warren Hastings, Brit. Mus., Add. MS. 29194, ff. 84–5.

from the Company's point of view this was a somewhat over-pessimistic assessment. The clauses which allowed the government to interfere in the running of the Company amounted to comparatively little. Since the members of the Supreme Council owed their appointment to Parliament, and especially since three of them had been chosen from outside the Company, it was likely that they would correspond directly with ministers and pay as much attention to intimations from Whitehall as they would to orders from the Company. In addition, the government's right to be kept informed about events in India was formally recognized by the clauses in the Act which laid down that dispatches from India must be shown to the Treasury and the Secretary of State.

But as well-informed men like Sulivan appreciated, far more significant than any of the clauses of the Act was the evident determination of the government to 'manage' the East India Company in the full sense in which the term was commonly used in eighteenth-century political circles. This implied that although the powers of the Court of Directors and the General Court would remain intact, parties loyal to the government would be built up in both, so that ministers could exercise some influence over their decisions. Governments had attempted to manage the Company before 1773, but with the passing of the Act their efforts became much more systematic and painstaking. Prominent figures in the Company were secured by favours such as contracts or subscriptions to loans, and supporters of the administration were encouraged to take out qualifications in East India stock.[48] There were limitations to the effectiveness of government management in Leadenhall Street, but the fact that the North administration tried so persistently clearly shows that they regarded India as being too important to be left to the Company alone. The passing of the Regulating Act is a definite indication of the direction in which a solution to the problems of relations between the state and the Company was to be found. The political and administrative objections to replacing the Company were much too intractable for this to be attempted; but by statutory provisions and informal management, something could be done to control Indian policy through the Company.

The Regulating Act was intended to be a temporary experiment requiring renewal or amendment after five years. In fact, because of the War of the American Revolution and the political upheavals which followed it, no major alteration was to be made in the Act until 1784. By then it was apparent that its results both in England and in India had fallen far short of expectation.

Not all that happened in India in the period from 1773 to 1784 was discreditable. There had been an undeniable improvement in the Company's government, and no British territory had been lost as a

[48] Sutherland, *East India Company*, pp. 274–80.

result of the war. Nevertheless, there was much which continued to cause anxiety. The new Supreme Council had not provided the strong leadership that was intended. It had been unable to function effectively because of bitter disputes among its members and because its powers over the other Presidencies had proved inadequate. Reports of scandals and indiscipline among the Company's servants continued to reach Britain, and, as in the early 1770s, genuine idealism was again being fanned by personal vendettas, this time directed against Warren Hastings. Once again there was pressure for abuses to be probed into and for new regulations to be issued. This agitation was made the more formidable by the fact that it had attracted the sympathy of a politician of the standing and energy of Edmund Burke, who by 1780 had begun the crusade against oppression in India which he was to pursue with such tenacity for the rest of his life. Once again a Select Committee of the House of Commons, soon dominated by Burke, was set up to conduct investigations.[49] The Company also became involved in a financial crisis similar to that which had helped to precipitate the intervention by the government leading to the Regulating Act. From 1778 the Company fought a series of wars against Indian powers which were to last until 1784, while at the same time attacks from French expeditionary forces had to be held off. The financial consequences of war were deficits in India and bills on London at a time when the Company's trade was already disrupted by the American Revolution. The Company again had difficulty in meeting its obligations in England, and in 1782, 1783 and 1784 it was obliged to apply to Parliament for relief.

The clauses of the Regulating Act which dealt with the Company's home administration had been intended to restore stability and, as the actions of North's ministry subsequently made clear, to enable the government to exercise some measure of control. In this respect, too, the Act had not been successful. While the spectacular upheavals of the 1760s were now a thing of the past, General Courts still periodically defied both the Directors and the wishes of the government. Many of the shareholders clearly remained more concerned with the Indian careers of their relatives and connexions than with the well-being of the Company as a whole, and it was on Indian issues that the General Court proved most truculent. Under North the task of building up a government party in the Company was shouldered by the Secretary to the Treasury, John Robinson, the most experienced political manager of his age. Robinson was usually able to ensure a Court of Directors which cooperated with the government, but even he was defeated on occasions by the Court of Proprietors.[50] When North's administration

[49] See below, p. 55.

[50] Sutherland, *East India Company*, pp. 309, 344–5.

fell in 1782, government management of the East India Company virtually collapsed. The Rockingham and Shelburne administrations kept some hold over the Directors (which was more than the Fox-North Coalition could do), but the General Court got completely out of control. Rightly or wrongly, both Rockingham and Shelburne believed that before the Company's government in India could be reformed it was necessary that Warren Hastings, the Governor General, should be recalled. Both governments were able to persuade the Court of Directors to order Hastings's recall, but on both occasions the shareholders reversed the Directors' decision and left the government powerless to carry out their policy.

While the obvious objection to relying on management of the Company as the means of enabling the government to supervise Indian policy was that in the last resort it was unreliable, there were other objections as well. Management was inevitably a two-way process. If the government wanted the alliance of groups in the Company who would support its policy, it was difficult for it to resist pressure from these groups for aid in furthering their own particular interests. Thus the government might be drawn into giving their sanction to some very questionable transactions. To enhance their bargaining power, Indian groups were not only active at Leadenhall Street but some of them also tried to enter the House of Commons. The number of MPs who had served in India rose from 6 in 1761, to 22 in the Parliament elected in 1774 and 36 in the Parliament of 1784.[51] This increase was much commented upon and almost universally deplored by contemporaries (Doc. 12). It was generally supposed that 'Indians' entered the House by lavish spending in the most venal boroughs, and that once in Parliament they acted as servile supporters of the ministry of the day in return for toleration of their misdeeds in India. Burke for one regarded them as a constitutional menace of the first order. But estimates of the strength of the 'Indian interest' in Parliament were almost invariably much exaggerated. The House of Commons was the natural objective for most Englishmen who had the means of entering it. Since money was one of the means of coming into Parliament, it is hardly surprising that men should have looked for seats when they returned from India with fortunes. Once in Parliament they did not form any coherent pressure group, being for the most part intent on making themselves indistinguishable from other Members and behaving like the landed proprietors which they had become. There is little point in describing most of them as members of an 'East India interest'.[52] In fact, such political bargaining power as the Company might have been able to wield was not used effectively: it came off

[51] Namier and Brooke, *The House of Commons*, i. 150–2.

[52] Cf. Philips, *East India Company*, pp. 299–300.

worst in its only collision with West Indian interests,[53] and the strength of its representation in the Commons was of no avail against the onslaught of the largely unrepresented manufacturers in 1813.[54]

But if popular prejudice against 'Indian' MPs was largely ill-founded, it was not entirely without substance. Clive, for example, built up a following of seven specifically to enable him to bargain for favours with successive administrations.[55] In the 1770s a small group of men with devious interests at Madras gave Robinson assistance in the Company, voted with North in the House of Commons, and also supported the younger Pitt at the election of 1784. This was the famous 'Arcot squad' which was to feature so prominently in opposition propaganda over the next decade. The actual numbers, unity and influence of the group connected with Madras bore no relation to popular theory, but they did succeed in obtaining support from North for decisions which are hard to justify.[56] It is also difficult to believe that the Pitt administration's very controversial step of sanctioning payment in full of the claims at Madras known as 'the Nabob of Arcot's Debts' was unconnected with the political support which Pitt had received from those whose claims were involved.[57]

Thus, apart from its practical limitations, reliance on management was incompatible with a thorough reform of Indian abuses since the government often had to cultivate the support of those who had perpetrated the worst offences. Control of the Company must be exercised openly, and to do this further powers must be obtained from Parliament. John Robinson recognized this as early as 1778 when he drew up his suggestions for the renewal of the Regulating Act due in the following year (Doc. 4). He thought it desirable that the General Court should be deprived of virtually all power to interfere in the administration of India, while the Court of Directors should continue as the 'executive government' of the Company but with half its members openly nominated by the Crown. The weakness of North's government, however, made it impossible to adopt radical proposals of this kind. The Regulating Act was renewed as it stood for a year in 1779 and 1780, and in 1781 it was replaced by an Act almost identical with it, the only significant addition to the government's powers being a clause

[53] See below, p. 88.

[54] See below, pp. 100–1.

[55] Namier and Brooke, *The House of Commons*, ii. 226–7.

[56] Sutherland, *East India Company*, p. 350.

[57] Much about this episode at present remains obscure. The case for the prosecution was put with devastating force by Burke in his 'Speech on the Nabob of Arcot's Debts'; see also *Burke Corr.* v. (ed. H. Furber), pp. 196–9, 201–3. Dr B. De in his Oxford D.Phil. dissertation 'Henry Dundas and the Government of India', 1962, p. 340 has suggested other motives apart from political ones for paying the debts in full.

which stipulated that as well as showing incoming dispatches to ministers, the Company must permit the government to see and, on matters concerning relations with Indian states, to amend orders about to be sent to India.[58] Although the power which it created appears never to have been fully used, this clause was a notable step towards recognition that the government had a duty to guide Indian policy.

The 1781 Act was admitted to be inadequate even by those who had drafted it. Yet in spite of the serious situation both in India and at home, three more years were to pass before another major reform was enacted. In the meanwhile, two attempts were made to remodel relations between the state and the Company, both of which were defeated in Parliament. The first was the work of Henry Dundas. Like Burke, Dundas had made himself an expert on Indian affairs without the immediate incentive of official responsibilities. Lord Advocate of Scotland under North, he served under Shelburne and was one of Pitt's leading henchmen in the overthrow of the Fox-North Coalition. First interesting himself in India in the last years of North's ministry, he became the dominant member of a Secret Committee which in 1781 and 1782 carried out investigations into the wars being fought in India.[59] The Committee's inquiries gave him the knowledge of Indian problems on which he could base his Bill, offered to the House after he had joined the opponents of the Coalition in April 1783 and therefore inevitably rejected.

The terms of Dundas's Bill (Docs. 5, 16) were almost exclusively confined to arrangements to be made in India. It was generally agreed that the Supreme Council set up by the Regulating Act had failed because of its internal divisions and its lack of authority over the rest of the Company's settlements. Dundas proposed to remedy this by concentrating power in the hands of a single individual to be known as the Governor General and Captain General, who could overrule his colleagues on the Supreme Council in emergencies and keep a tight control over the subordinate settlements. The Governor General was to be named in the Bill, he could be recalled by the Crown but not by the Company, and although new appointments could be made by the Company they were subject to the approval of the Crown. Exceptional powers required an exceptional man, and in his speech introducing the Bill, Dundas plainly indicated Lord Cornwallis, whose reputation had survived his surrender at Yorktown to the Americans, as his choice.

The only major change in the constitution of the Company at home proposed by the Bill was that the General Court should be deprived of any power to challenge decisions on questions relating to the government of India. Such decisions were still to be the responsibility

[58] 21 Geo. III, c. 65, sec. 34.

[59] See below, pp. 55–6.

of the Court of Directors. Although Dundas no doubt intended that the new Governor General should regard himself primarily as a royal servant subject to the orders of ministers, there was no provision to secure this. The Governor General was specifically placed under the authority of the Directors. Even the clause in the 1781 Act allowing ministers to see orders being sent to India was not repeated. If, as one of Dundas's advisers later wrote, the purpose of the Bill was to ensure 'the active interference of the executive government' in Indian affairs,[60] the means by which this was to be done were left surprisingly vague.[61]

The two Bills (Docs. 6, 17) introduced by Charles Fox in November 1783 were the second attempt to replace the Regulating Act. Fox took complete responsibility for the Bills and evidently played a full part in drafting them, but there seems little doubt that they were inspired by Burke.[62] They reflect his sense of outrage at what he believed to be the enormities of British rule in India. Incorrigible abuses required extreme measures to correct them. The Fox-North Coalition decided to bid defiance to all the political and administrative objections and to deprive the Company of any say in the government of India. British India was to be ruled from London by seven Commissioners (later called Directors), named in the first Bill, who were to hold office for four years unless removed by address of both Houses of Parliament. Their tenure was thus to be somewhat similar to that of judges, an analogy which supporters of the Bills frequently used. The four-year period was intended to overcome the lack of continuity in the supervision of Indian affairs caused by constant changes in the Court of Directors and the ministerial instability which had existed since 1782. By making the appointment and dismissal of the Commissioners depend on Parliament rather than the Crown, the Coalition hoped to avoid the accusation, which Fox's supporters had so freely used against all previous attempts to reform the Company, that state supervision inevitably led to increased royal patronage.

For this device to have been accepted by contemporaries, or even to have worked in practice, it was essential for Commissioners to be

[60] J. Bruce, *Historical View of Plans, for the Government of British India*, 1793, p. 131.

[61] The Bill is discussed in detail in De, 'Henry Dundas'.

[62] Professor Harlow suggested that the first Bill was 'substantially the work of Fox' (*The Founding of the Second British Empire 1763–93*, 1952–64, ii. 124–6). While Fox's papers show him to have been busily engaged in bringing the Bill into its final form (see letters in Brit. Mus., Add. MS. 47568), the evidence that 'Burke is to draw out on paper some sort of plan which Fox is to consider' (P. J. Marshall, *The Impeachment of Warren Hastings*, Oxford, 1965, p. 20) seems decisive.

chosen who would be as insulated from politics as judges had become. In the fevered political atmosphere of 1783 this was not possible. The Bill named Lord Fitzwilliam, the nephew and heir of Rockingham, as First Commissioner. Although Fitzwilliam's disinterestedness was beyond question, he and the other Commissioners were unequivocal supporters of the Coalition. The obvious practical objection to filling the Commission with political appointments was that if the Coalition were to lose office before four years any new administration would find Indian affairs still being conducted by their opponents.[63] But practical objections were largely lost in clamour about the constitutional implications of the scheme. The Company warned the 'Chief Magistrates of the several corporations of this kingdom', of its dangers,[64] and the opposition in the House of Commons deployed a vast range of argument and assertion, plausible and implausible. In the main, the assault on the Bills concentrated on the allegation that the Coalition by appointing their own nominees as Commissioners for four years had made sure that all Indian patronage would be awarded by them and would thus build up a parliamentary following so formidable that they could never be removed from office. This was the theme of innumerable pamphlets, speeches, newspaper paragraphs, and cartoons.

All previous attempts to reform the Company had endeavoured to establish strong authorities both in London and in India. But for Fox the London end was all-important. He condemned Dundas's Bill for lodging 'an absolute and despotic power' in India.[65] His aim was to leave as little discretion as possible in the hands of officials abroad. Decisions were to be taken in London wherever this was practical, and the actions of men in India were to be governed by the code of regulations embodied in the second of the two Bills. In view of the slowness of communication, Dundas's scheme for a Governor General of high calibre entrusted with wide powers was almost certainly the more realistic one.

Apart from the Commission, the most controversial aspect of the Bills was the provisions for the Company's trade. Whenever their right to rule India was threatened, the Company invariably replied that they could not carry on their trade without their territorial possessions. Fox took them at their word; 'finding the necessity of the state called for the government of India, I took the commerce as well as the

[63] In an able defence of the Bills Sheridan argued that a new ministry would have no difficulty in forcing the Commissioners to resign (*A Comparative Statement of the Two Bills, . . . brought into Parliament by Mr Fox and Mr Pitt*, 3rd ed., 1788, p. 29). If this was so, continuity, which was the main purpose of the Bills, would have been lost.

[64] IOR, Court Minutes, xcii. 631.

[65] *Parl. Hist.* xxiii. 1276.

government'.[66] Nine Assistant Directors were named in the Bills[67] to take over the Company's assets, manage their trade and settle the dividends to be paid to the shareholders. This could be made to appear as naked confiscation. The Company claimed that seizing 'their property, and continuing a trade at their risk, but without their consent or control' was 'unconstitutional and unprecedented'.[68]

Fox's Bills were a bold measure offensive in many respects to contemporary opinion. But the opposition which they aroused would have been unavailing if the King had not been determined to eject the Coalition at the earliest possible moment. By the winter of 1783 an alternative administration was beginning to present itself and the controversial nature of the India Bills gave the King at least a pretext for striking down Fox and North. The House of Lords was instructed to oppose the Bills, and the government was duly defeated. The extent of the Bills' unpopularity and the degree to which public opinion had accepted their opponents' interpretation of them were to be revealed in the ensuing general election. In many 'open' constituencies hatred of the Bills was to be a major factor in the defeat of the Coalition's candidates.[69]

The administration which the younger Pitt formed on the overthrow of the Coalition had to take up the search for a solution to the steadily deteriorating Indian problem. With Dundas's experience available to him and with his Bill as a guide, Pitt was able to introduce proposals even before the 1784 election, when his government was still in a minority in the House of Commons. Fox's debacle had set the limits within which his rivals must keep: the sanctity of chartered rights must if possible be preserved, and this meant that Pitt must act with the agreement of the Company; suspicions must not be aroused that patronage was being given either to the Crown or to the politicians; and the Company's trade must not be tampered with. On the other hand, after so narrow an escape, the Company were very much more amenable than they had been on any previous occasion. On 10 January 1784 the General Court made the concession that so many administrations had been trying to obtain by voting that 'on the subject of the civil or military government, or revenues' of India, the Company was 'bound to conform to his Majesty's pleasure'.[70] Open control of Indian policy could now at last replace management of the Company. Pitt's immediate problem was to devise suitable machinery for exer-

[66] *Ibid.* xxiv. 1128–9.

[67] Vacancies were to be filled by the shareholders.

[68] *Journals of the House of Lords*, xxxvii. 18.

[69] Namier and Brooke, *The House of Commons*, i. 91.

[70] *Later Correspondence of George III*, ed. A. Aspinall, Cambridge, 1962–, i. 19–20.

cising this control. In his Bill of January 1784, he proposed to set up a Board of Commissioners, unlike Fox's Commissioners appointed and dismissable by the Crown, to see all dispatches which the Directors intended to send to India and to make alterations in them. On any matter relating to Indian government or revenue the Company was bound to accept the Board's alterations. 'The imperial dominion' over India was now to be transferred from Leadenhall Street to the 'genuine and legitimate executive power of the constitution'.[71] But the Board was to have no authority over commercial matters and to make no appointments. Trade and patronage were left to the Company.[72]

Pitt's Bill was defeated and he had to wait until the 1784 election gave him a majority. In July he introduced a more elaborate version of the earlier Bill which became the India Act of 1784 (Docs. 7, 18). The means by which the government was to 'superintend, direct and controul, all acts, operations, and concerns which in any wise relate to the civil or military government or revenues' of India was again to be the inspection and where necessary the amendment of dispatches for India by a Board (usually referred to as the Board of Control). As in Dundas's Bill the General Court was finally deprived of the power to intervene in any question concerning the administration of India. The Act reiterated that the government was to have no concern with the Company's commerce and to have no Indian patronage. The Indian provisions of the Act added considerably to the powers which the Governor General had wielded under the 1773 Regulating Act. He now had a casting vote in a Supreme Council of four and his ability to control the subordinate Presidencies was strengthened. But it was not until 1786, when Pitt and Dundas had secured a man to whom they were prepared to entrust almost unlimited discretionary authority, that the Governor General was given the power to overrule his colleagues which had been envisaged in Dundas's Bill.[73] The man trusted with these powers in 1786 was Lord Cornwallis, as it would have been in 1783, had Dundas's Bill become law.

The India Act of 1784 was to remain the legal basis of relations between the state and the Company until 1858. When the Company's charter was renewed by Parliament in 1793 and 1813 its commercial privileges were substantially modified, but virtually nothing was done to impose further limits on its participation in the government of India. In 1789 ministers were contemplating a measure 'to take the civil, military, and revenue part of India into the hands of govern-

[71] *Parl. Hist.* xxiv. 322.
[72] For the Bill see *PP.* (*1731–1800*), xiv, no. 455.
[73] 26 Geo. III, c. 16, sec. 7.

ment'.[74] These ideas were later modified to a number of suggestions for strengthening the powers of the Board of Control, but even these had been abandoned by the time the Charter Bill of 1793 was drafted.[75] The 1784 system was evidently working well enough in practice, while the difficulties and dangers of altering it seemed too great to warrant further changes. In 1808 Dundas was still warning his son that at the next renewal of the charter the government must on no account lay themselves open to accusations that they were intent on acquiring Indian patronage.[76]

With the tendency so characteristic of the period for endowing what existed with high principle, the 1784 system of dual authorities began to be described as one of checks and balances between state and Company, particularly well suited to the British constitution. In 1813, although most Whigs disliked the continuing political role of the Company, they too saw no practical alternative to it.[77] Only Lord Grenville openly advocated that the Company should be deprived of its share in the government of India.[78] There was comparatively little criticism of the 1784 settlement even from radicals. William Cobbett had no compunction in recommending that a Company which had caused so much 'blood and devastation' should be abolished.[79] But James Mill thought it 'Better, a thousand times, that all communication were at once cut off between Great Britain and India, than that the government of India should be engrafted upon the government of England'.[80]

After 1784 the Company gradually recovered the stability which it had enjoyed in the early eighteenth century. It could once again be assumed that those who bought India stock were primarily interested in it as an investment. Directors were again virtually assured of re-election for as many years as they chose to present themselves, and the General Court again accepted the leadership of the Directors on most occasions. The most disruptive element among the shareholders, those who had bought their qualifications to participate in the spoils of service in India, were more or less brought under control. Reforms in India meant that service there was no longer as spectacularly profitable as it had been. The system of appointments and promotion became more regular, influence in the Company counting for much less than it had done. Promotion by seniority was enforced throughout the service (Doc. 7), and the Board of Control resisted all attempts by the Court

[74] Dundas to Cornwallis, 8 August 1789, Public Record Office, PRO 30/11/115, f. 159.

[75] Philips, *East India Company*, pp. 73–5.

[76] Letter of 14 October, National Library of Scotland, MS 1064, f. 160.

[77] *Historical Manuscripts Commission, Fortescue MSS*, x. 325, 328, 329.

[78] *Parlt. Debates*, xxv. 718.

[79] *Cobbett's Political Register*, xxiii, 1813, pp. 134–6.

[80] *Edinburgh Review*, xvi, 1810, p. 153.

of Directors to order promotions or appointments to specific offices in India, a power which in Lord Castlereagh's opinion could never be used 'for any other purpose than that of corruption' (Doc. 8). The right to make the initial nomination of all servants did, however, remain with the Company. It was exercised by the Court of Directors, who divided up the patronage of the year among themselves. Since a writership (an appointment in the civil service) was said to be worth £3,000 on the open market and a military cadetship to be worth £500,[81] the right to nominate at least one writer and several cadets every year must have been one of the strongest inducements for men to seek election as Directors. The amount of stock which most Directors held was by convention comparatively small,[82] a fact from which critics of the Company deduced, somewhat unfairly, that the Directors' real interest was in their patronage and not in the overall profits of the Company. Nevertheless, it seems that although Indian patronage continued to exercise an important influence in the affairs of the Company, the worst excesses of the scramble for appointments before 1784 had been curbed.

Another disruptive element, the intrusion of politicians, was also much reduced. The government continued to cultivate an 'interest' in the Company, although on a meagre scale by comparison with the operations of John Robinson, as Dundas admitted and regretted when he left office in 1801.[83] In 1788 one of Pitt's supporters, who blamed Dundas for letting the Company get out of hand, heard that ministers had even neglected the 'few dozen of claret and two or three dinners' which would have 'operated with many in the direction'.[84] A pamphlet written in 1813 suggested that out of 2,000 shareholders 'it would probably be difficult to find more than fifty who can fairly be considered as under ministerial influence'.[85] Indelibly marked as the party of Fox's India Bills, the Whig opposition withdrew completely from the Company.

Divisions did, however, persist within the Company, although of a kind that had existed long before the conquest of India, and there were still groups of shareholders who were prepared to put their own interests before those of the Company as a whole. The most powerful of such groups was the so-called 'shipping interest', men who used their votes at Company elections or General Courts to defend the traditional method of hiring ships, from which they profited, against

[81] Embree, *Charles Grant*, p. 179.

[82] Furber, *Economic History Review*, x. 145.

[83] De, 'Henry Dundas', p. 436.

[84] The Duke of Buckingham and Chandos, *Memoirs of the Courts and Cabinets of George III*, 2nd ed., 1853–5, i. 361.

[85] R. Grant, *The Expediency maintained of continuing the system by which the Trade and Government of India are now regulated*, 1813, p. 321.

attacks on what other shareholders regarded as extravagant practices.[86] By the 1790s there was also a group of shareholders who were pressing for greater freedom for privately-owned ships to trade to and from India.[87] Some members of this group were no doubt genuinely convinced that such a relaxation of the monopoly would be in the Company's best interests; others were connected with business houses in London or India which would be able to take advantage of any concession.

It would be pointless to deny that the horizons of many members of the East India Company were narrowed by the urge to acquire patronage or to further their own business interests. But to assume that the Company had no common purpose or had become 'a mere name to cover the operations of groups and individuals'[88] is a serious distortion. Even to divide the Directors into 'interests' which they are said to have 'represented' is probably to impose a rigidity which contemporaries would not have understood.[89] On occasions the Company was capable of showing a genuine *esprit de corps*. When the Directors and shareholders objected to Wellesley's conquests,[90] or opposed relaxations of the Company's monopoly,[91] they were not necessarily being manipulated by the machinations of the 'shipping interest' or any other 'interest', but were expressing their views on issues which seemed to call in question the whole future of British India as well as of the Company itself. A well-informed witness explaining to a committee of the House of Commons in 1832 why men bought India stock, pointed out that the dividend was attractive and that there was a prospect of 'participating in the patronage in some measure', but he also added that men became shareholders because they wished 'to take part in Indian affairs and in the discussions of the General Courts'.[92] This was probably true at any time after 1784.

The powers given to the government by the 1784 Act were to be exercised by a Board of Control consisting of six Privy Councillors, including a Secretary of State and the Chancellor of the Exchequer. The work done by the Board proved from the outset to be extremely onerous and although Pitt himself took a close interest in India, the Board's authority quickly passed to the only prominent member of

[86] See below, pp. 80–1.

[87] See below, p. 97.

[88] C. N. Parkinson, *Trade in the Eastern Seas 1793–1813*, Cambridge, 1937, p. 9.

[89] Philips, *East India Company*, pp. 335–7. Professor Philips divides the Directors into 'Shipping', 'Private trade', 'Indian', and 'City' interests. It is difficult to see what the common ground of a 'City' interest could ever have been or that an 'Indian' interest can have had much substance after the 1780s.

[90] See below, p. 76.

[91] See below, pp. 98–9.

[92] Evidence of Peter Auber, Secretary to the Company, *PP.* 1831–32, ix. 150–1.

the government willing and able to devote the necessary time to it. This was Henry Dundas. Dundas served on the Board from 1784 to 1801, its methods being almost entirely shaped by him. His position was formally recognized in 1793 when he became its salaried President. To all intents and purposes, as Presidents of the Board of Control Dundas and his successors were the equivalent of Secretaries of State for India.

The boundaries between the state and the Company, or in practical terms between the Board of Control and the Court of Directors, laid down by the 1784 Act were that the Board of Control should supervise matters relating to Indian revenue, administration, war and diplomacy, but that all matters of trade and patronage should remain with the Court of Directors. This division was a workable one. At times there was conflict between the Board of Control and the Court of Directors, but in general the two bodies seem to have worked together harmoniously. When conflict occurred it seems hard to deny that the Board of Control were the aggressors, seeking either to put the widest possible interpretation on their powers under the 1784 Act, or even to exceed them. Disputes usually arose over the nature of the supervision which the Board was entitled to exercise over Indian policy, or over the attempts by the Board to have a voice in the way the Company managed its commerce and distributed its patronage.

The Court of Directors insisted that although the Board of Control were entitled 'to superintend, direct, and controul' Indian affairs (Doc. 7), they were not entitled to give orders to the Company's servants in India. The Directors were the 'organ and channel of this country for governing India' (Doc. 10). The Board of Control could alter the Directors' instructions but they could not send instructions of their own. The Company had been able to secure the deletion of a clause in the 1784 Act which would have allowed the Board of Control to communicate directly with India on matters of 'war, peace or negociation',[93] and whenever they felt themselves in danger of being circumvented the Directors protested vigorously.

The great mass of Indian correspondence was uncontroversial and was handled by the Court of Directors without intervention by the Board of Control. If the Board did choose to intervene and order alterations on a matter properly within their competence, the Directors were fully aware that this intervention must be decisive. The Directors recognized that they possessed 'little independent power' beyond giving advice and requiring explanations; but they regarded these functions as 'an important check over the administration of Indian affairs' (Doc. 10) and they intended to use them to the full.

No President of the Board of Control was content to be confined

[93] *PP.* (*1731–1800*), xiv, no. 457, pp. 6–7.

to communicating with the servants in India only through the intolerably cumbersome method of making alterations in the Company's dispatches. The simplest way of avoiding this was for the President to write private letters to the Governor General. Dundas wrote personally to Cornwallis on matters which he wished to be kept secret and his example was followed by his successors. The 1784 Act had also created an official method of communicating privately with India. This could be done by using the Secret Committee of the Court of Directors. Orders concerning the 'levying of war or making of peace', or relating to 'the native princes or states in India' could be sent through a committee of three Directors who were sworn not to reveal their contents to their colleagues (Doc. 7). The difference between orders sent to India by the Board of Control and orders sent through the Secret Committee was usually said to be a nominal one, since the Secret Committee was thought to have no influence over the contents of its dispatches. Although contemporaries appear to have underestimated the degree to which the Secret Committee did in fact participate in the formulation of policy,[94] use of the committee was resented by the Directors as a device to keep them in the dark. Their protests were mostly unavailing. In the early years after the passing of Pitt's Act the Board of Control had succeeded in establishing a very wide definition of the competence of the Secret Committee.[95]

Conflicts between the Court of Directors and the Board of Control also arose on issues where questions of patronage and commerce overlapped with questions of government or revenue. Matters concerning trade were clearly outside the scope of the Board of Control, although Dundas in particular took a keen interest in the Company's commercial policy and often tried to influence it.[96] He gained some of his points, but if the Company declined to make concessions it could in the last resort be forced to do so only by Parliament, as happened in 1793 and 1813.

The boundary between patronage and government was much less easy to define. Its ambiguities provoked the most prolonged dispute of the period, on the question of whether the Board of Control could alter the Directors' orders closing a college in Calcutta founded by Wellesley for training young Company servants (Docs. 8, 9).[97] By convention the Court of Directors permitted the President of the Board of Control to nominate a certain number of writers and cadets.[98]

[94] Philips, *East India Company*, p. 11.

[95] G. Tierney, *The Real Situation of the East India Company*, 1787.

[96] See below, pp. 98–9.

[97] Embree, *Charles Grant*, pp. 187–94.

[98] The extent of the President's patronage was the subject of much exaggeration. He was usually allotted the same number of nominations as the Chairman, that is twice as many as an ordinary Director but still less than one fourteenth

This practice was contrary to the Act but was not contested by the Company. Where controversy did sometimes arise was over the appointment of a Governor General or a Governor of one of the subordinate Presidencies. The India Act stated that such appointments were to be made by the Court of Directors alone, the Crown merely having a power to recall (Doc 7). But no government was prepared to leave appointments of such importance in the hands of the Directors (Doc. 8). Pitt and Dundas invariably indicated their wishes to the Directors and, as far as Governor Generals were concerned, their nominee was always chosen. The most remarkable exercise of ministerial power was the appointment in 1812 of Lord Moira, a close friend of the Prince of Wales, who urgently needed the Governor General's salary to save him from bankruptcy.[99] There were, however, limits to what could be achieved. In 1806, at the instigation of Charles Fox, 'the Ministry of All the Talents' nominated a Whig peer called Lord Lauderdale. As Lauderdale was personally objectionable to the Directors and had been nominated without consulting them, they refused to accept him. The government could prevent anyone else being chosen by using their power of recall, but beyond that they were powerless and another nomination had eventually to be made.

Throughout the period from 1784 to 1813 the Board of Control gradually extended the powers allocated to them under Pitt's Act, while the Court of Directors periodically tried to oppose what they regarded as distortions of the Act. Whether their resistance was successful or not usually depended on the standing and ability of the President of the Board of Control and on the general political situation. An experienced President, backed by a government with a secure majority in the House of Commons, was almost irresistible; a weak President and unstable government could on occasions be defied.

From 1784 to 1801 Dundas in general enjoyed a comfortable ascendancy over the Company. He was able to dictate the details of Indian policy, on issues such as the settlement of the Bengal revenues, in a way which went far beyond supervision and control[100] (Doc. 9); he persuaded the Company to make some reforms, though less than he wished, in their commercial practices; and he carried most of the Indian appointments in which he was interested. He even achieved

of any year's patronage (R. Grant, *The Expediency maintained*, pp. 271–2). Dundas's patronage papers in the Scottish Record Office (GD 51/4) show that he was sometimes treated rather more generously and could on occasions persuade individual Directors to relinquish their patronage to him. But even his influence was very much less than it was commonly supposed to be.

[99] R. J. Bingle, 'The Governor-Generalship of the Marquess of Hastings', Oxford D. Phil. dissertation, 1964, pp. 59–60.

[100] H. Morris, *The Life of Charles Grant*, 1904, pp. 169–71.

the striking success, not matched by later administrations, of ensuring that the Directors chose a Chairman agreeable to him.[101] Dundas's achievement was based partly on the strong position which he enjoyed in Pitt's government and partly on his own abilities. He was an indefatigable worker, had acquired a knowledge of Indian problems that few in the Company could rival, and was so skilful a manager of men that he was able to win the confidence and co-operation of the Directors to a remarkable degree. When co-operation was withheld, he was willing in the last resort to use force, that is to appeal to the House of Commons. This was a step which the Pitt administration took with the utmost reluctance, but when taken it could have only one outcome. In 1788 the House of Commons was asked to pass a Declaratory Bill, that is a Bill explaining the Act of 1784 (Doc. 9). The Bill was to resolve a dispute with the Court of Directors over whether the Company were obliged to send royal troops to India at their own expense. With the Foxite opposition able to exploit traditional issues, such as chartered rights and the dangers of increased ministerial patronage, the government's majority was reduced. But the resort to Parliament showed the government's determination to impose their interpretation of the 1784 Act and clearly implied that other disputes could, if necessary, be brought to an end by a Declaratory Bill.

When Dundas left office in 1801, issues connected with Wellesley's administration in India and the Company's trade, on which the Court of Directors felt strongly, were coming to a head. To have maintained government control in these circumstances would have taxed all Dundas's skill, and it proved beyond the much more limited abilities of his successor at the Board of Control, Lord Lewisham (soon to succeed as Earl of Dartmouth). Lewisham was inexperienced and did not have a seat in the Cabinet. Moreover, he was not given adequate support by the Prime Minister, Addington, who was uncertain of his position in Parliament, did not 'intirely comprehend' Indian questions, and was 'constantly inculcating moderation'.[102] An unusual loss of authority by the Chairman made the Company even less manageable. In the resulting confusion Lewisham was virtually driven from office by the Directors, and the Board of Control had the humiliation of seeing negotiations with the Company conducted by the Treasury.

Lewisham's successor, Lord Castlereagh, was given a seat in the Cabinet, and, although the Presidency was still regarded as a second-rate office,[103] the powers of the Board of Control were gradually re-

[101] *Correspondence of David Scott*, ed. Philips, i. 169; cf. *HMC, Fortescue MSS*, viii. 83.

[102] Lewisham to Dundas, 1 August 1801, India Office Library, MS. Eur. D. 624, no. 42.

[103] See Creevey's comments on 8 June 1809, *Parlt. Debates*, xiv. 930.

asserted. The Company's ability to oppose the wishes of government was undermined by its acute financial difficulties, caused by war in Europe and India, which obliged it after 1806 to appeal almost annually to Parliament for assistance.

During the debates on the renewal of the Company's charter in 1813 nearly all the speakers (with the exception of Wellesley whose relations with the Company had been peculiarly stormy)[104] agreed that the state now had sufficient powers to carry out its responsibilities for the government of India. Whether these powers were used effectively no longer depended on whether the Company's obstruction could be overcome, but on the capacity of the men to whom they were to be entrusted: on their ability to master the delays and mountainous collections of documents which had become inseparable from the workings of Indian administration, and on their ability to comprehend the needs of a totally alien society as reported to them by Europeans in India whose own powers of comprehension were inevitably defective.

[104] *Parlt. Debates*, xxv. 694.

2

Responsibilities of Empire

THE previous section tried to show how opinion in Britain came to recognize that in its rule over the provinces which it had recently acquired the Company must be made accountable not only to its shareholders but to the public as a whole, and that the state had a right and a duty to intervene in the government of India. It also described the machinery which was gradually brought into being to enable the state to intervene. This section will be concerned with the results that followed from the state's acceptance of responsibility: with the extent to which effective supervision of the government of India from London was possible, and with the principles and standards which the authorities at home sought to instil into the Company's administration.

The immense delays imposed by distance and the slowness of communication by sailing-ship, the lack of specialized knowledge and sometimes the inertia of officials at home, and the unbounded self-confidence of so many of the Company's servants who had no inhibitions about acting on their own initiative, all made control of India from Britain, whether by state or Company, extremely tenuous. The decisions to depose Siraj-ud-daula, to accept the *diwani*, or to go to war under Hastings, Cornwallis or Wellesley were all taken without reference to London, and nearly all the early experiments in Indian administration were similarly adopted without prior consultation (Doc. 9). When the authorities at home tried to impose their will on a strong-minded Governor General, such as Warren Hastings or Wellesley, both of whom claimed a right to disobey orders which they regarded as contrary to the Company's real interests, they usually met with a rebuff. As all Indian reformers with the notable exceptions of Burke and Fox appreciated, there was no practical alternative to entrusting the Governor General with wide discretionary powers.

Routine items concerning patronage, finance, or the Company's commerce, which did not require rapid decisions, were settled by the Court of Directors. There was also an increasing tendency for long-

term questions of administrative strategy to be submitted to London for final verdicts; and on comparatively few occasions, mostly after 1784, new departures of policy were initiated from home. But on most issues of substance, intervention from London was limited to laying down principles to be followed, and to appointing, and if necessary removing, men who it was hoped would be guided by these principles. The effective government of British India was located in India.

In the orders which they sent out both the Company and the national government had to take some account of the concern of a wider public for what happened in India, even though this concern only manifested itself erratically and fitfully. Once the Company had begun to make conquests there was no shortage of accessible information or public comment about India. The Company's dispatches and other official proceedings circulated widely, extracts from them with other items about India frequently appearing in the newspapers. The Court of Directors once described India as being governed under 'a system of publicity'; a Governor knew that he was 'acting upon a public theatre; that his proceedings will be publickly recorded there and publickly judged of here'.[1] The reading public's curiosity about the new conquests was from the first liberally supplied with travellers' accounts, essays, histories of recent events, translations of Persian works, and later of Sanskrit ones. Former Company servants wrote books in their own defence. Contestants for power in Leadenhall Street or in India itself plied the public with pamphlets and newspaper articles. Warren Hastings spent £6,000 on publications during his trial, at least thirty-three pamphlets appearing on his behalf.[2] But the quality of the information on India available to the educated eighteenth-century public hardly matched its profusion. It is difficult to find any depth of understanding about Indian society or institutions. Those who wrote about India were handicapped by an almost complete ignorance of Indian languages, except for Persian, by an excessive willingness to apply European analogies, and by the fact that most of the areas which they could observe were in a state of abnormal political chaos. It must be stressed that the theories and assumptions about India which will be discussed here were based on the opinions of eighteenth-century Englishmen and do not necessarily have any very close relation to what now appears to be fact to modern scholars. Furthermore, most published work was overtly polemical, and even books with apparent claims to impartiality had partisan overtones.

In the eighteenth century nearly all comment on India was either inspired by men with particular axes to grind or, in the case of news-

[1] IOR, Correspondence between the Court of Directors and the Board of Commissioners for India, ii. 273.

[2] Marshall, *The Impeachment of Hastings*, pp. 84, 195–6.

papers, reflected the current attitude of the political connexion subsidizing the paper. The reactions of what can in any sense be regarded as a detached public opinion were largely confined to a small number of magazines, such as the *Annual Register* (often a vehicle for Burke's views), or to the literary reviews. In the first decade of the nineteenth century serious discussion of India from an independent standpoint became more common. The *Edinburgh Review*, for instance, published long articles by James Mill and Sydney Smith, while Cobbett's *Political Register* also contained substantial pieces on India. James Mill later had an opportunity to put his views into practice when he obtained an important post in the Company's service in London; but in general there is little to suggest that publications of this sort had any significant influence on Indian policy. Public concern about India could only become an effective force if it found expression in Parliament.

The amount of parliamentary time devoted to India was by no means discreditable, even if the level of attendance at most Indian debates was extremely meagre. Most Indian business was of a routine and technical kind, but wide-ranging discussions took place when an administration was trying to obtain fresh powers over the Company or when the Company's charter was being renewed. After 1788 the so-called India Budgets, introduced in most years by the President of the Board of Control, provided further opportunities for Indian debates. But although the India budgets were said to put the House in possession of 'more ample and authentic materials, than are to be found in the administration of any other branch of the public affairs',[3] discussion of them seems usually to have been perfunctory.

In fact, the most thorough examination of Indian questions, providing ordinary MPs with their most effective means of influencing policy, usually occurred not in the House itself but in the committees set up from time to time to investigate the Company's affairs. The first major parliamentary inquiry into events in India was conducted by a Committee of the Whole House in 1767, which collected evidence, both documentary and oral, but published no reports and made no recommendations.[4] In 1772 disquiet at allegations of malpractices by the Company's servants led to demands for parliamentary action and the appointment of a Select Committee of the House of Commons to investigate. Although the Committee had a wide membership drawn from all sides of the House, its work was dominated by a small clique who concentrated on giving as much publicity as they could to stories of abuses in India, particularly to those in which Clive was implicated.[5]

[3] *Parlt. Debates*, ii. 1152: speech of Lord Castlereagh on 19 July 1804.
[4] For copies of its evidence see Brit. Mus., Add. MSS. 18463–9.
[5] India Office Library, Clive MSS, box viii, no. 2.

During the 1773 session, taking advantage of the indignation which their revelations (Doc. 11) had aroused (the House was said to have been in a 'humour' to have 'hanged both Directors and servants'),[6] the Committee persuaded the Commons to pass a resolution that conquests in India belonged to the Crown,[7] although it failed to induce them to censure Clive. A Secret Committee, controlled by the government, was also set up in 1772, to inquire into the administration of the Company both at home and abroad. Its work was more systematic than that of the Select Committee and its reports are extremely informative.

The precedent of a Select Committee representing opinion in the House as a whole and a Secret Committee acting on behalf of the administration was to be followed again. In 1780 a Select Committee was appointed, in the first instance to report on the judicial system in Bengal but quickly assuming the much wider function of examining the 'advantages' which Britain should derive from its connexion with India and the means of ensuring 'the happiness of the native inhabitants'. It was during his service on this Committee that Edmund Burke, whose personal connexions and political duties had already begun to give him some insight into Indian problems,[8] became irrevocably committed to the cause of Indian reform. Burke drafted some of the reports, and claimed that he had 'diligently perused and compared' the vast body of evidence which came before the Committee.[9] The picture of British India which emerged from the Select Committee's reports, and above all from the fierce indictment of the Company's exploitation of Bengal in Burke's Ninth Report, was an extremely sombre one, even if it was distorted by personal animosity against Warren Hastings in the way that the previous Select Committee's reports had been distorted by animus against Clive. The second Secret Committee, chosen in 1781, was intended to be a ministerial one like its predecessor. From the outset, however, it had connexions outside the government, and in the political confusion of 1782 it became as free an agent as the Select Committee. Dundas was the Committee's leading member, the Secret Committee providing him

[6] F. Sykes to W. Hastings, 8 November 1773, Brit. Mus., Add. MS. 29134, f. 120.

[7] See above, p. 31.

[8] Burke's enemies frequently suggested that his interest in India had been prompted by his connexions with a disreputable 'kinsman', called William Burke. This charge is still repeated. Recent research has, however, done something to rehabilitate William and has clearly shown that Edmund was not a party to his operations (L. S. Sutherland and J. A. Woods, 'The East India Speculations of William Burke', *Proceedings of the Leeds Philosophical and Literary Society, Literary and Historical Section*, xi, pt. vii, 1966, pp. 183–216.

[9] *Burke Corr.* v. 254.

with his Indian apprenticeship in much the same way as the Select Committee had done for Burke. The Secret Committee concentrated almost exclusively on the Company's foreign policy and its relations with Indian powers, which were the subject of six reports. Apart from these reports, the Secret Committee was responsible for what was perhaps the most ambitious attempt ever made by the House of Commons to define Indian policy. In May 1782 Dundas persuaded the House to adopt forty-four resolutions drawn up by the Committee (Doc. 15), which he described as 'a kind of law, both to his Majesty's ministers and the Court of Directors',[10] laying down principles which must be observed by future governments in India.

The last of the great Indian committees of this period was the Select Committee of the House of Commons which sat from 1808 to 1812, issuing four reports on the Company's finances and the famous Fifth Report on Indian administration. Distinguished men on both sides of the House served on the Committee, but most of them do not seem to have taken more than a nominal part in its work. The Fifth Report appears to have been written by a Director of the Company and an official of the Board of Control.[11] A somewhat anomalous stituation arose in 1812 when a report was ready before the Committee had been reappointed to adopt it.[12] Attempts by parliamentary committees to devise their own solutions to Indian problems had evidently become a thing of the past.

Prosecution of offenders was another method by which the House of Commons tried to improve the standards of British rule in India. The justification for parliamentary prosecutions was provided by the failure of ordinary courts either to obtain convictions or to inflict what were thought to be adequate penalties for offences committed in India. With overtones of Cicero and Verres, such prosecutions were a task which an eighteenth-century House of Commons relished. A group of Members intended that Clive should be the first victim, and opinion in the House at times ran strongly against him. But he and his supporters put his case skilfully, forcefully reminding his listeners of the perils from which he had rescued the Company (Doc. 19). When the motions declaring him guilty of taking money improperly were debated on 21 May 1773, the House rejected them, voting that he had rendered 'great and meritorious services to this country'.

Nearly fifteen years later a much more deliberate and carefully planned attack was made on Hastings. Many of the reports of the

[10] *Parl. Hist.* xxii. 1302.

[11] T. H. Beaglehole, *Thomas Munro and the Development of Administrative Policy in Madras*, Cambridge, 1966, pp. 87–91.

[12] *Parlt. Debates*, xxi. 683.

second Select Committee had been hostile to him, and in 1782 the House had tried to bring about his recall from India (Doc. 15). When he did return to Britain, Burke took up his case again, introducing articles of impeachment in 1786, not because he expected that the House of Commons would accept them, but because he hoped to vindicate the conclusions of the Select Committee and to provoke further discussion of the principles on which India should be governed. The defence which Hastings offered to Burke's charges contained many factual inconsistencies, and his refusal to imitate Clive by arguing that any case against him should be seen in the context of the situation he had faced in India (Doc. 20) was almost certainly ill-advised (although there is evidence which suggests that such an appeal would have met with much less sympathy than Clive's had done).[13] With a suddenness that surprised contemporaries opinion in all parts of the House set against Hastings, and he was sent for trial to the House of Lords. There the hearing was spun out over eight years, the prosecution's case stood up badly to the rigorous standards of legal precision enforced by the Lords, and Hastings was finally acquitted on all counts.

Wellesley had to endure the same ordeal as Clive and Hastings. His conquests had aroused strong misgivings among members of the Whig opposition, Fox, for instance, writing of his 'abominable conduct'.[14] Moreover, the Whigs had an obvious incentive for harassing a Governor General associated with the Pitt administration. Like Clive and Hastings, Wellesley had personal enemies determined to pursue a vendetta against him. One of them, James Paull,[15] who had recently been elected Member for Westminster, began proceedings against Wellesley in 1806, even though the Whigs were by then in office and most of them were no longer willing to give him any support. Unworthy as Paull may have been, he seems to have aroused a last flicker of the emotion which had swept through the House during the Hastings debates.[16] An attempt to have Paull's inquiry brought to an immediate decision was frustrated, and proceedings were protracted throughout 1807 and 1808 with each resolution against Wellesley being rejected by overwhelming margins.

In 1772 Burke had written that it was 'the province and duty of Parliament to superintend the affairs of this Company'.[17] In the 1770s and 1780s, when pressure from the House of Commons had forced successive governments to assume new powers, when the Select and

[13] Marshall, *The Impeachment of Hastings*, pp. 41–2.

[14] *The Windham Papers*, 1913, ii. 246.

[15] Little is known about Paull's motives (see H. E. A. Cotton, 'The Story of James Paull', *Bengal Past and Present*, xxviii, 1924, pp. 69–109), but it is difficult to believe that they were not discreditable.

[16] *Memoirs of the Life of Sir Samuel Romilly*, 1840, ii. 159–60.

[17] *Burke Corr.* ii. 385.

Secret Committees were conducting their investigations, when Dundas's resolutions were passed, and when Hastings was impeached, Parliament appears to have carried out its duty with some vigour. So much so that in the first decade of the nineteenth century, when Indian debates were thinly attended, government business carried without difficulty, and the motions of private Members easily rejected, speakers frequently referred with nostalgia to the attention which the House had given to India in the past. This nostalgia was hardly warranted by the facts. A large attendance at Indian debates had not meant that Members had regarded Indian topics as being important in their own right; it indicated that before 1784 the problem of controlling the Company had important constitutional implications and could be the pretext for a major political crisis. In fact, the majority of eighteenth-century MPs probably lacked both the will and the ability to master the intricacies of questions relating to Indian government. At most they disliked the Company and its servants and wished to believe that India was being well governed. Their concern could only take articulate form under the leadership of men like Burke and Dundas. Without leadership of this quality and with the constitutional relations between state and Company resolved by 1784, the House of Commons remained for the most part inert. Indian policy, in as far as it was determined in Britain at all, was left to the Company and the Board of Control.

For at least thirty years after the battle of Plassey, discussion either in Parliament or in the press about how the Company's new provinces should be administered, the dispatches sent to India by the Directors, and the clauses relating to India inserted into statutes all concentrated on a single problem, that of preventing misgovernment. Underlying this preoccupation with misgovernment was the assumption, shared by virtually all seventeenth- and eighteenth-century Europeans, that India was a land of abundant wealth. 'The country of Bengal', Clive told the House of Commons, 'is called, by way of distinction, the paradise of the earth. It not only abounds with the necessaries of life to such a degree, as to furnish a great part of India with its superfluity, but it abounds in very curious and valuable manufactures, sufficient not only for its own use, but for the use of the whole globe.'[18] Alexander Dow informed the readers of his *History of Hindostan* that Bengal was 'one of the richest, most populous, and best cultivated kingdoms in the world'.[19] Having gained possession of 'the paradise of the earth' and its riches, it was natural to expect that Britain would be rewarded by a bountiful tribute. A surplus of at least £1,500,000 a year had been

[18] *Parl. Hist.* xvii. 354.
[19] *The History of Hindostan*, 1768–72, iii. p. lxviii.

prophesied by Clive after he accepted the *diwani*,[20] while bolder spirits made even rasher promises, a former Governor assessing the revenues of Bengal at £13,750,000.[21] When these expectations were not fulfilled, and the Exchequer even had to advance money to the Company in 1773, the obvious explanation seemed to be that rapacity and extravagance had consumed the surplus wealth which ought to have gone to Britain. Further spoliation might jeopardize Bengal's capacity to be profitable to Britain in the future. Moderation and restraint must therefore be enforced on the Company, so that its provinces could once again flourish as they were thought to have flourished in the past. It was not until the assumption that the normal state of India was one of prosperity came to be seriously questioned that opinion in Britain began to see the problems of ruling India in a new light. Measures might be needed that went beyond merely preventing the Company from abusing its position by skimming off too much of the surplus wealth naturally created in India; it might also be necessary for the Company to adopt positive policies which would change and develop their provinces in order to create wealth.

The evidence that India was being misgoverned in the decades after Plassey seemed to be overwhelmingly conclusive. Virtually everything that was published about India described the Company's provinces as deteriorating. Many of these accounts were obviously written for partisan purposes. For instance, the exposure of the Company's rule in William Bolts's *Considerations on India Affairs*, which Burke later called the first book to turn 'the national attention to the state of our affairs in the East Indies',[22] was also aimed at discrediting Clive. But those who had access to official correspondence from India were confronted with repeated testimony, given apparently without ulterior motive, of misgovernment and decay. It is very unusual to find any Company servant who was prepared to claim before the 1780s that British rule had been anything other than a misfortune for Bengal, and accounts from Madras were equally gloomy. Warnings that Bengal 'must moulder into ruin' without 'speedy and effectual measures' were being sent from Calcutta by 1769.[23] Warren Hastings told a Director in 1773 that 'the trade of this country is beyond decay; it is utterly gone'.[24] In 1789 Cornwallis wrote that the population of Bengal was,

[20] *The Fort William-India House Correspondence*, New Delhi, 1949–, iv. (ed. C. S. Srinivasachari), pp. 337–8.

[21] J. Z. Holwell, *Interesting Historical Events, Relative to the Provinces of Bengal and the Empire of Indostan*, 2nd ed., 1766–7, i. 204.

[22] *Burke Corr.* v. 263.

[23] *Fort William-India House Corr.* v. (ed. N. K. Sinha), pp. 546 ff.

[24] G. R. Gleig, *Memoirs of the Life of the Right Honourable Warren Hastings*, 1841, i. 287.

with a few exceptions, 'advancing hastily to a general state of poverty and wretchedness'.[25]

There is no lack of evidence to show that there were many men, like the poet William Cowper (Doc. 13), who were genuinely outraged by accounts of abuses which they regarded as stains on the national honour and crimes against their fellow human beings. Others were probably more concerned with their practical implications. The resources of India must be protected against misgovernment by the Company and pillaging by their servants. Only a prosperous India could pay a substantial tribute to Britain. As the Directors pointed out in 1766, the Company did not regard its conquests as a brief raid to extract the maximum of plunder as quickly as possible, but intended them to be 'as permanent as human wisdom can make them'. Therefore it was their duty 'to protect and cherish the inhabitants, . . . whose interest and welfare are now become our primary care'.[26] These sentiments were to be repeated on innumerable occasions. The younger Pitt argued in 1784 that the Company's success 'must chiefly depend on the establishment of the happiness of the inhabitants, and their being secured in a state of peace and tranquility'.[27]As a pamphleteer put it: 'In proportion as a subordinate state is well or ill governed, in such proportion exactly will it be productive and beneficial to the superior state'.[28] India was frequently compared to a landed estate on which the interests of the tenants and the landlord were one and the same.

Although the situation created by the Company's misrule was thought to be serious, there was general agreement that remedies need not go very deep. Abuses by Europeans must be corrected; but there was no necessity for any attempt to reform Indian society. It was admitted that most eighteenth-century Indian states were badly ruled by 'despotic' princes, who had failed to maintain the high standards which the great Mughal emperors were thought to have set. Nevertheless, at a lower level Indian institutions were thought to be sound. The Abbé Raynal in his famous *Philosophical and Political History* described an area in Bengal where 'the purity and equity of the antient political system of the Indians is found unadulterated' and 'liberty and property are sacred'.[29] Indian legal systems were thought to be adequate for their purposes, and to many English observers the larger

[25] *The Correspondence of Charles, 1st Marquis Cornwallis*, ed. C. Ross, 1859, i. 554.

[26] *Fort William-India House Corr.* iv. 184, 189–90.

[27] *Parl. Hist* xxiv. 1090.

[28] *Thoughts on Improving the Government of the British Territorial Possessions in the East Indies*, 1780, p. 19.

[29] *A Philosphical and Political History of the Settlements and Trade of the Europeans in the East and West Indies*, trans. J. Justamond, 1776, i. 404–7.

revenue payers (usually known as *zamindars*) seemed to play a role in local government similar to that of English country gentlemen (Doc. 16). In short, the conquered provinces appeared to have preserved their own 'internal constitutional polity'. Therefore all that was required of the Company was to restrain its own and its servants' rapacity, and to excercise 'a supreme, superintending, and controling power' (Doc. 24), virtually limited to defence and the maintenance of internal order. This is precisely what Clive had hoped that acceptance of the *diwani* would entail.

Apart from the practical arguments, there appeared to be other reasons why no attempt should be made to impose European ideals on India. Mid-eighteenth-century descriptions of Eastern culture were generally sympathetic to it. Critics of contemporary Europe were in the habit of constructing wholly fanciful pictures of a 'rational' Asia as a contrast to the abuses they were attacking.[30] Accounts of Hinduism tended to stress its ethical content and its underlying monotheism.[31] Burke had 'an awe bordering on devotion' for 'the piety of the Hindoos' and for 'their holy religion and sacred functions'.[32] Where Indian institutions were depicted as not being admirable in themselves, many men accepted the view, of which Montesquieu had been the most famous exponent, that as laws and customs were moulded by the environment and traditions of a particular society to fit its needs, it was unjustifiable to impose a different set of values produced by different circumstances. To 'derange the grounds of the old national customs . . . under the cruel delusion of justice' would be 'to plant the most wicked of all despotism in the extreme' (Doc. 24).

The most obvious point at which to begin the correction of abuses was by attacking the Company's servants. They were accused of squandering the Company's resources, extracting presents from Indians, and fixing prices and enforcing monopolies for their own private profit. Persistent rumours hinted that European private traders had helped to bring about the catastrophic Bengal famine of 1770. The unpopularity of the returned 'Nabob' ensured that efforts to reform the Company's service would be well received. 'The immense estates' said to have been acquired in India had drawn hostile comment even in the early eighteenth century.[33] The new conquests obviously enriched some Europeans, if never as many as were popularly

[30] L. Dermigny, *La Chine et l'occident. Le commerce à Canton au xviiie siècle 1719–1833*, Paris, 1964, i. 36–8.

[31] S. Mukherjee, 'Sir William Jones and the Beginnings of Indology', London Ph.D. dissertation, 1963, p. 18.

[32] Lord Holland, *Memoirs of the Whig Party during my time*, 1852–54, i. 6.

[33] *A Collection of Papers Relating to the East India Trade*, 1730, pp. x–xi.

supposed,[34] with what seemed to be indecent haste. As returned Nabobs bought land and acquired local and political influence (often, because they were in a hurry to enter Parliament, in the more spectacularly corrupt of boroughs), they aroused the envy and contempt with which a comparatively static society treats those thought to be parvenus (Doc. 12). In 1764 the Directors issued their first instructions forbidding servants to take presents, later following them with orders aimed at restricting and in some cases eliminating private trading. Clauses in the Regulating Act (Doc. 14) and Pitt's Act (Doc. 18), with the efforts of reforming Governor Generals slowly completed the transformation of the Company's servants from being merchants on their own and the Company's behalf to becoming salaried administrators, a state of affairs envisaged in Dundas's Bill (Doc. 16).

Congenial as the task of harassing the Company's servants might be, it could only be a partial solution to the problem of misgovernment. The policies followed by the Company's administration in India must be changed. Most reports from India diagnosed the same shortcomings. In the first place, the Company was said to have been involved by its servants in far too many costly wars for grandiose and illusory schemes of conquest. In its internal administration two tendencies were singled out as being particularly damaging to the provinces it ruled: the Company was accused of undermining the security of property, especially in land, and of disrupting the commercial life of Bengal, which was considered to have been the source of much of its traditional prosperity. Finally, the whole basis of the Company's trade as it had evolved since the acquisition of the *diwani* was beginning to be called in question by its more radical critics, who argued that Bengal must inevitably be impoverished if cargoes for London continued to be purchased out of the territorial revenues without any return from Europe.[35]

It is not perhaps surprising that if most men agreed on what had gone wrong in India they should also have agreed on the remedies. The Directors' dispatches, the recommendations of the parliamentary committees, and the clauses relating to Indian government in Bills to reform the Company all tried to enforce the same principles. Fox and Pitt disagreed widely on how to control the Company at home, but

[34] For instance, out of 110 civil servants sent to Bengal between 1750 and 1762, 66 are known to have died in India; 33 returned home after serving for some time in the East, but only a few can have brought fortunes of any size with them.

[35] See below, pp. 83–5. This is the beginning of the theory of the 'drain of wealth' which was to have so long a life in Anglo-Indian controversy. It seems to have been originated by Governor Harry Verelst in a dispatch of 1769 (*Fort William-India House Corr.* v. 546 ff.). Verelst's arguments were taken up and elaborated by Philip Francis and later by Burke (see below, p.67).

hardly at all on what ought to be done in India. This comparative unanimity is worth emphasizing, since there has been a tendency for historians to construct an apparatus of rival schools of thought with rival policies. For at least thirty years after Plassey there was nothing that can be called a 'forward school' in British thinking about India. War, conquest and the extension of territory were condemned as contrary to the interests of a trading company. The propositions that clearly established property rights and the free circulation of trade were the necessary ingredients of prosperity were also accepted without dissent. All attempts to reform the Company's government started from the assumptions that peace must be maintained, property secured, and trade encouraged.

There was an obvious incongruity in enjoining peace on an organization which appeared to have gained so much by successful war. But all the Company's conquests had in fact taken place without the prior consent of the Court of Directors. In their view the cost of conquering and defending new provinces more than outweighed the advantages which might be gained from them. In 1764 the Directors wrote that they were 'well satisfied with our present possessions', and issued a 'positive order' against any 'military enterprize or expedition'.[36] The *diwani* territories were set as the limits to the Company's influence, and further conquest or ambitious diplomacy were again forbidden. The wars of Hastings's period were condemned not only by the Court of Directors, but by the Secret Committee of the House of Commons which investigated them, and by the House itself when in 1782 it passed the famous resolution that 'to commence hostilities without just provocation . . ., and to pursue schemes of conquest, and extent of dominion, are measures repugnant to the wish, the honour, and the policy of this nation' (Doc. 15). This resolution was given statutory force in Pitt's Act (Doc. 18), as it would have been in Dundas's Bill (Doc. 16), similar provisions being included in the second of Fox's Bills (Doc. 17).

The nature of property in Asia was a question argued at some length in eighteenth-century Europe. One school of thought, which drew support from quarters as diverse as Voltaire[37] and Burke, believed that property rights analogous to those of Europe existed in India. Burke insisted that Indians enjoyed property 'secured by laws of all their religions, by declarations of all their sovereigns' (Doc. 22). Other writers doubted whether rights to property in India had ever been legally enforceable against the sovereign, but were inclined to believe that in the best periods of Mughal rule the government had allowed

[36] *Fort William-India House Corr.* iv. 46.

[37] His views are discussed in R. Guha, *A Rule of Property for Bengal*, Paris and The Hague, 1953, pp. 99–100.

its subjects to accumulate property in conditions of almost complete security. It was generally assumed that the Company had not shown a similar restraint, and that the restoration of security was an urgent need. The Directors accepted this need: in 1769 they ordered their servants in India to proclaim that 'no man's property is to be touched without due course of law',[38] and in 1771 they again insisted that measures must be taken to maintain 'the security of the persons and properties of the native inhabitants'.[39]

Rights to land were the crucial aspect of the whole question of property rights. Critics of the Company argued that whereas the Mughal regimes had allowed those who paid revenue[40] to them to have uninterrupted occupation of their lands and had collected the revenues at a moderate rate, the Company frequently dispossessed owners and demanded more than the land could pay. They thus ruined ancient families and impoverished the countryside by over-taxation. Only the security of guaranteed rights to land with a fixed and reasonable level of revenue could provide the incentive for improvement to bring about a recovery. These arguments were publicised in Britain in the early 1780s by newly-returned Company servants, some of whom appeared before the Select Committee. They succeeded in convincing all those who were trying to draft legislation for India. Dundas's Bill contains a full statement of their theories (Doc. 16), and both it and Fox's second Bill (Doc. 17) would have enacted their recommendations. Pitt's Act was less specific (Doc. 18), but by 1786 the Directors had accepted the new orthodoxy and sent a dispatch ordering a lower level of revenue to be fixed in perpetuity, which would ensure 'the security of the landholders'.[41] The details were worked out in India as the Permanent Settlement of 1793, which recognized that those who paid the Company's revenue were the outright owners of their land and charged them what was considered to be a moderate rate, never to be increased in future. By 1793, however, the men who completed the settlement in India no longer believed that they were restoring a traditional system, but were fully aware that they were creating a new one. Their willingness to use the power of the Company's government to intervene in this way is indicative of a change in the whole nature of British rule.

The extent and sophistication of trade both within the province of Bengal and between Bengal and other regions of Asia was fully appreciated by Europeans, the Court of Directors ordering their servants to do all they could to develop and encourage it. In 1769 the Directors denounced 'restrictions, limitations and prohibitions affecting

[38] *Fort William-India House Corr.* v. 215.
[39] *Ibid.* vi. (ed. B. Prasad), p. 82.
[40] For an explanation of this term, see above, p. 18.
[41] IOR, Bengal Despatches, xv, 355.

various articles of trade' as 'the worst of policy'.[42] 'Every degree of restraint', they wrote later in the same year, 'is contrary to the fundamental principles of commerce, which therefore are found to thrive the most among free people'.[43] They repeatedly sent orders, reinforced by clauses in the Regulating Act of 1773 (Doc. 14), forbidding all attempts by officials to fix prices or establish monopolies for their own benefit. The application of these principles to the Company's own trading practices was, however, another matter.

One of the most frequently quoted arguments for depriving the Company of its political power in India was the theory that a combination of sovereign and merchant was likely to inflict serious damage on the provinces it ruled. Although the argument was by no means original to him, Adam Smith's forceful use of it in *The Wealth of Nations* gave it wide currency (Doc. 23). Smith pointed out that on its own behalf the Company did the very things that it tried to prevent its servants from doing. It used its political power to buy goods at artificially low prices and it maintained monopolies for its own profit. It therefore preferred the 'little and transitory profit of the monopolist to the great and permanent revenue of the sovereign'. There was some truth in these charges. The Company did not buy goods on the open market. Those who produced the cloth which was the staple of Bengal's exports to Europe were paid in advance at a fixed rate and worked under the Company's supervision. Had they not done so, the Company maintained that it would have been forced to pay an excessively inflated price and would have been unable to obtain the quantities of cloth it required, as had happened in the early 1770s, on the one occasion when the Bengal weavers were allowed to bargain freely. Concepts of freedom of contract were said to be unrealistic in eighteenth-century India, where if the Company did not control the weavers others would. The most that the Company was prepared to concede was that they would try to ensure that the fixed price they paid for cloth was an equitable one.[44] The Company had also established monopolies over the production and sale of opium and salt. These monopolies contributed so substantially to the revenue of Bengal that, while recognizing the objections to them, the Court of Directors never ordered their abolition.

Impelled both by a sense of where its own advantage lay in the long run as well as by pressure from outside, the Company had proclaimed that its interests and those of the inhabitants of its provinces were

[42] *Fort William-India House Corr.* v. 217.

[43] *Ibid.* v. 243.

[44] This problem is discussed in H. R. C. Wright, *East-Indian Economic Problems in the Age of Cornwallis and Raffles*, 1961, pp. 203–9. Burke expressed strong views on it in the 9th Report of the Select Committee, which also printed many documents (*Reports from Committees of the House of Commons*, vi. 62–4, 203–66).

one and the same. It had renounced further conquests, disciplined its servants, limited its demand for territorial revenue, and made some attempts to create property rights and to encourage trade. By the mid-1780s, with the passing of Pitt's India Act and the appointment of Lord Cornwallis, who was to be the first Governor General wholeheartedly to attack abuses, the reforms aimed at correcting the errors of the past seemed to be complete. There had, however, been limits beyond which the Company was not prepared to carry its reforms. It would not relinquish its control over the manufacture of textiles or its salt and opium monopolies in Bengal. Nor would it abandon the practice of using its territorial revenues to buy its cargoes for London. Accusations that this 'drained' Bengal of its resources were met with denials: in 1766 the Directors regarded this as 'a danger yet distant',[45] and in 1785 they still considered that exports from Bengal could be increased without incurring 'too large a drain'.[46] Even though Lord Grenville assumed by 1813 that the Company was actually putting the interests of Indians before its own,[47] and was assured that this was so by the Prime Minister, Lord Liverpool,[48] no government was to force the Company to go beyond its limits.

Incomplete or not, the success of the Company's reforms seemed to be irrefutable. From the mid-1780s men in India ceased to dwell on decline and decay and began to write of a rising population, improving standards of living and the blessings of British rule. In 1784 a Company servant tried with the aid of some rudimentary statistics to show that 'the country never was in a more flourishing state'.[49] In India Hastings had been pessimistic about conditions in Bengal; under attack at home, he and his supporters maintained that it had been growing 'in power, wealth, population and greatness'.[50] These claims were echoed in Britain (Doc. 25). In 1799 Dundas commented on the increasing wealth and population of Bengal.[51] In 1813 Castlereagh described the British administration of India as 'founded on theory so wise, and brought to such practical perfection, that he did not believe the history of the world could exhibit its equal'.[52] Some men with specialized knowledge of India, whose views will be discussed later,

[45] *Fort William-India House Corr.* iv. 221.

[46] IOR, Bengal Despatches, xiv. 114.

[47] *Parlt. Debates*, xxv. 714–15.

[48] *Ibid.* xxv. 752–3.

[49] J. Grant, 'Analysis of the Finances of Bengal' (*The Fifth Report from the Select Committee of the House of Commons*, ed. W. K. Firminger, Calcutta, 1917, ii. 475).

[50] Gleig, *Memoirs of Hastings*, iii. 303.

[51] *The Despatches, Minutes and Correspondence of the Marquess Wellesley*, ed. M. Martin, 1836–37, ii. 107–10.

[52] *Parlt. Debates*, xxv. 229.

were sceptical, but the public at large by the turn of the century were overwhelmingly complacent about the beneficence of British rule.

One notable conscience was not appeased. Burke's concern with India was not that of a prudent landlord with an eye to future profit. He believed that the Company ought to seek the well-being of their Indian subjects, not because this would bring them in an increased tribute in the long run, but because like all rulers they were under a moral obligation, founded on divine law, to govern in the interest of those they governed (Doc. 21). No consideration of national advantage could lessen this obligation. While endorsing the reforms which had already been achieved in India, Burke did not believe that they went far enough. He regarded the Company's trade with Bengal, as it had been carried on since 1765, as an 'annual plunder' and insisted that its whole basis must be changed.[53] He had inserted clauses into Fox's second India Bill which would have forced the Company to abandon 'all monopolies, rights of pre-emption, or preferences, by any authority, or upon any pretence whatsoever' (Doc. 17). Burke was never in office again after 1783, and all the energy that he could give to Indian questions was to be taken up by the impeachment of Hastings. Whether Hastings did or did not deserve impeachment is not a question to which an objective answer can be given; but it can hardly be denied that as a means of publicising Indian issues the impeachment was a failure.[54] Nevertheless, for a few years Burke had succeeded in putting debate on India on to a higher level than that attained by any of his contemporaries.

For thirty years after the battle of Plassey discussion of the problems of Indian government had concentrated on finding a means by which the excesses of the Company and its servants could be curbed. It was hoped that the Company could be made to act like a benevolent Mughal Nawab, refraining from acts of oppression and leaving the Indian population to their own devices. The natural fertility of India and the skill and industry of its inhabitants, with social and political institutions well fitted to their needs, would then enable the Company's provinces to recover their legendary prosperity. By the 1780s, however, the assumption that the Company's administration should interfere as little as possible in its subjects' lives was beginning to be questioned; new roles were being envisaged for it which went beyond the mere maintenance of order and prevention of oppression.

[53] 9th Report of the Select Committee, *The Works of the Right Honourable Edmund Burke*, Bohn's British Classics, 1854–89, iv. 35. In justice to Philip Francis, it should be added that Burke obviously derived most of these arguments from him, and that Francis himself continued to use them from time to time in Indian debates.

[54] Marshall, *Impeachment of Hastings*, pp. 188–9.

The questioning of assumptions arose not so much as the preliminary to an attempt to formulate new policies in Britain as from the belated recognition of what had actually been happening in India for several years. That this should have been so is characteristic of the relative importance of London and Calcutta in determining the course of events in India. Even though both theorists in Britain and practical men in India hoped that the Company's influence would be limited to 'a supreme superintending, and controling power' (Doc. 24), this had proved impossible to maintain, especially in Bengal. After 1765 direct European participation in the government of the province had gradually increased.[55] With the administration becoming alien in personnel, its methods also became increasingly alien, and its policies began to bring about changes in Indian society. To some extent these changes were inadvertent, the consequence of ignorance. Europeans might believe that they were governing in a traditional way and restoring traditional institutions, when in fact they were governing in an alien manner and creating something new.[56] Other changes were conscious and deliberate. A later generation of Company servants was beginning to be sceptical of the excellence of Indian institutions or to believe that the disruptive effects of British conquest had gone deeper than the replacement of Nawabs by the Company. In either case, something new must be created.

The question of property rights provides an illustration of the way in which opinion in Britain came to accept changes brought about by the Company in India. When this issue was first discussed in Britain, it was generally assumed that something resembling a system of landed property existed in India, if not *de jure*, then in practice, and that the Company must be forced to recognize it. By the time the Permanent Settlement was enacted in 1793, those responsible for it were aware that they were not restoring an old system but were creating new rights of freehold property never known in India before, and awarding them to a class of men of the validity of whose claims they were uncertain.[57] By 1793 the novel elements of the Permanent Settlement were appreciated in London also. In the dispatch authorizing its enactment, which was drawn up under the direction of Dundas, it was called 'a new constitution to so many millions of the Asiatic subjects of

[55] This process is examined in P. J. Marshall, 'Indian Officials under the East India Company in 18th-century Bengal', *Bengal Past and Present*, lxxxiv, 1965, pp. 95–120.

[56] See the interesting comments in B. S. Cohn, 'From Indian Status to British Contract', *Journal of Economic History*, xxi, 1961, pp. 613–28.

[57] The conscious introduction of European concepts by the authors of the Permanent Settlement is stressed in recent comments on it: Guha, *A Rule of Property*, pp. 170–4; E. Stokes, *English Utilitarians and India* Oxford, 1259, pp. 4, 26; Beaglehole, *Thomas Munro*, pp. 3–5.

Great Britain'.[58] A speaker at the Company's General Court described it as 'the utter abolition of feudal tyranny'.[59] Wellesley told the House of Lords in 1813 that 'the rights of property, before unknown, had been introduced and confirmed by the Permanent Settlement of Bengal'.[60]

The Company's administration of justice in Bengal is another example of how its rule both consciously and unconsciously became an instrument of change. The application of the English Common Law to India was never contemplated, and all sections of opinion would have opposed any attempt to do so. In 1781 a statute was passed one of whose purposes was to protect Indians 'in the enjoyment of all their ancient laws, usages, rights, and privileges' from alleged encroachment by the British court in Calcutta.[61] Hindu and Muslim law were to be used in the Company's civil and criminal courts with only limited modifications, for instance where Muslim practice was repugnant to European ideas of punishment. But if the law administered in the Company's courts was not significantly changed, the manner in which it was administered by European judges was revolutionary. The law became much more accessible, especially after a new hierarchy of courts was set up in 1793, encouraging resort to formal litigation in which such apparently alien concepts as the outright ownership of property and equality before the law were applied. The element of innovation was again recognized in Britain and again welcomed, being described as tempering 'the institutions and laws' of Indians with 'the mild spirit of the British government'.[62] Equality before the law was said to ensure that 'the meanest rights of the meanest native stand on the solid base of law and justice' (Doc. 25). A former Chief Justice boasted that the Company's rule was hated by 'the chiefs and Rajahs of India' as 'a government for the protection of the lower orders'.[63]

By 1813 it must have been obvious to all that the Company had long since ceased to act like a benevolent Nawab and had started to introduce European concepts into its government. But the scope of the changes consciously made had not been extensive. The Company still prided itself on its 'scrupulous abstinence from all wanton interference with the institutions, civil or religious, of the natives';[64] its administrations in India were still wary of innovation. Ideas of a more radical kind were, however, being discussed both in India and in Britain, which, although they had little practical effect on policy before 1813,

[58] IOR, Bengal Despatches, xxiii. 811.

[59] *A Continuation of the Series of the Several Debates that have taken place at the India House*, ed. W. Woodfall, 1793, pp. 8–9.

[60] *Parlt. Debates*, xxv. 652.

[61] 21 Geo. III, c. 70, sec. 1.

[62] Bruce, *Historical View*, p. 29.

[63] Speech of Sir J. Anstruther, 9 March 1808, *Parlt. Debates*, x. 1019.

[64] R. Grant, *The Expediency maintained*, p. 108.

were to have an important influence later. Men were beginning to argue that change was proceeding too slowly. Most of those who criticized the official policy of the cautious and limited imposition of European ideals were unwilling to accept official self-satisfaction about the state of India. They pointed out that even if real improvements had been achieved in standards of government, there was no escaping the fact that widespread poverty existed and showed no signs of disappearing. The causes of this poverty went far beyond the dislocation produced by the early years of the Company's rule or by the rule of their immediate predecessors; they were to be found in the Indian way of life in all its aspects.

The most vociferous pressure for rapid change came from those who hoped to see Christianity introduced into India by an influx of European missionaries. The arguments used in the campaign for missions are indicative of a general shift of opinion at the end of the eighteenth century. There is much less sympathy for Asian culture and institutions than there had been at the time of the first British conquests. The largely imaginary portrayals of a 'rational' East, and the nominalism which regarded particular cultures as fitted to particular societies were losing ground. The superiority of things European was coming to be accepted as absolute.[65] Superior systems of government and superior technical achievements had brought higher living standards to Europe while India languished in poverty. To many it seemed that Indian poverty was the result of ignorance, and that ignorance was fostered by religion. In the middle of the eighteenth century most published accounts of Hinduism had been favourable to it; at the end of the century a large body of detractors represented it as at the best idolatrous and absurd, at the worst cruel and bestial (Doc. 26). The strength of Hinduism was seen as an insuperable obstacle to the adoption of western learning and western technology. It maintained a caste system which, in the words of William Wilberforce, was a 'detestable expedient for keeping the lower orders of the community bowed down in an abject state of hopeless and irremediable vassalage'.[66] Christianity would restore to Hindus 'the use of their reason'.[67] They would then be able to break the tyranny of a reactionary social order and develop the natural wealth of India. Britain would of course profit from a more prosperous India, but she would receive political dividends as well: a thoroughly westernized population would be firmly attached to those who had conferred such benefits upon them.

[65] The change in attitude throughout Europe is described in Dermigny, *La Chine et l'occident*, i. 27 ff.

[66] *Substance of the Speeches of William Wilberforce . . .*, 1813, p. 41.

[67] Charles Grant, 'Observations on the State of Society among the Asiatic Subjects of Great Britain', *PP.* 1812–13, x. 110.

The role that Christianity could play in bringing about the economic improvement of India was stressed by all who were campaigning for opportunities to convert Indians. The purposes of their campaign should, however, be kept in perspective. Conversion was an end in itself; the possibility of improvement was an argument to be used to convince those who did not share this point of view. Many of those most actively concerned with spreading the Gospel in India, such as Charles Grant, in his later utterances[68] if not in his earlier writings, and William Wilberforce, were in fact complacent about the state of India. Wilberforce had heard 'on the best authority' that the condition of the Indian peasant was 'as comfortable as laws could make it, or as could be expected or desired'.[69]

Opposition to missions came from a number of quarters. While the general climate of opinion was much less favourable to things Indian than it had been, there were still men prepared to defend Hinduism (Doc. 29). By the end of the eighteenth century much more knowledge was available on which to base a defence. The first major translation from Sanskrit, an edition of the *Bhagavad Gita*, had appeared in 1785, with an introduction by Warren Hastings prophesying that the Hindu scriptures 'will survive when the British dominion in India shall have long ceased to exist, and when the sources which it once yielded of wealth and power are lost to remembrance'.[70] By 1785 Sanskrit was being studied by Sir William Jones, a scholar who already enjoyed a high reputation in Britain. Jones's work was important less for its originality than for the fact that his translations and essays reached a very wide audience.[71] He depicted the civilization of ancient India as being in many respects equal to that of classical Greece, and in some instances even superior to it. His insistence that the ethical teaching of Hinduism was not inferior to that of Christianity was taken up by others who argued that the conduct of Hindus compared favourably with that of Christians. Sydney Smith believed Hindus to be 'more mild and sober than most Europeans, and as honest and chaste'.[72] A Member of Parliament asked why Hindus should be expected to give up a refined moral code for the benefits of 'predestination and gin'.[73]

The most effective argument against missions was, however, more prosaic. It was summed up in the phrase 'the people of India are not a political, but a religious people' (Doc. 28). Most contemporaries were struck by the impossibility of a minute European garrison holding

[68] Eg. *Parlt. Debates*, xxvi. 938 ff.
[69] *Ibid.* xxvi. 630.
[70] Cited in P. Moon, *Warren Hastings and British India*, 1947, p. 353.
[71] S. Mukherjee, 'Sir William Jones', p. 213.
[72] *The Works of the Rev. Sydney Smith*, 4th ed., 1848, i. 247–8.
[73] *Substance of the Speech of Charles Marsh . . .*, 1813, p. 58.

British India in the face of a concerted revolt that included the Indian army. There was no reason to believe that such a revolt could be caused by outraged political or national sentiment; it was only too easy to envisage its being caused by outraged religious feeling. The English East India Company had always prided itself on its refusal to interfere with the religious practices of Indians, believing that this had given it advantages over some of its European rivals. The majority of Directors and members of the Board of Control saw no need to depart from this principle now that so much was at stake.

The initiative in the campaign for missions to India was from the first taken by groups of Dissenters or of members of the Evangelical wing of the Church of England, a fact which did not endear their cause to many more orthodox Anglicans. In the 1780s a number of Evangelical-minded men in India began to canvas support at home and succeeded in attracting the interest of William Wilberforce, the great Evangelical champion. The immovable obstacle to their plans was the fact that all persons going to India required the licence of the Court of Directors, who invariably refused to licence anyone wishing to act as a missionary. In 1793 Wilberforce sponsored two clauses in the Bill for the renewal of the Company's charter, which would have declared it to be the duty of the Company to see to the 'religious and moral improvement' of India and to provide suitable men as 'schoolmasters, missionaries or otherwise'. Both clauses were rejected.[74] There were, however, ways in which the Company's prohibition could be evaded, such as missionary stations in foreign settlements, notably that founded by the Baptists at the Danish factory at Serampore, or the appointment of Evangelical chaplains, nominally to the European community. Meanwhile, a campaign was gaining momentum for India to be opened to missions generally. New missionary societies were founded and a number of Evangelicals, of whom Charles Grant was the most influential, were elected to the Court of Directors. But opposition was also active, aroused by reports that a serious mutiny in the Company's Madras army in 1806 had been set off by fears of forcible conversion to Christianity. The victory finally went to the missionary party in 1813. Wilberforce's unrivalled skill as a lobbyist, backed by a torrent of petitions from religious bodies all over Britain (Doc. 26), induced the House of Commons to approve a clause allowing missionaries to be admitted to India subject to licence by the Board of Control if the Directors refused a licence.[75] Wilberforce believed that the most important battle of his life, affecting 'the temporal and eternal happiness

[74] Copies of the draft clauses are in IOR, Charters, x. The episode is described in Embree, *Charles Grant*, pp. 153–5.

[75] 53 Geo. III, c. 155, sec. 33.

of millions; literally, millions on millions yet unborn',[76] had been won.

Denunciation of Indian backwardness and of the inadequate measures so far taken by the Company to alleviate it also came from men who had strictly secular solutions to offer. In 1806 James Mill began to work on his *History of British India.* In it he included a series of chapters specifically aimed at demolishing the favourable picture of Indian civilization painted by Sir William Jones. Hinduism was dismissed not from a Christian point of view, but as a religion bearing all the marks of a people who had made very little progress towards civilization in the contemporary European sense. No human society which has left records, Mill wrote, has 'drawn a more gross and disgusting picture of the universe than what is presented in the writings of the Hindus'.[77] He believed that the British had done virtually nothing to lift Indians out of their degradation; Bengal was still 'suffering almost all the evils which the worst of governments could inflict'.[78] In his *History* and in an article in the *Edinburgh Review* of 1810 Mill attacked the Company for being too lenient in preserving worthless Indian institutions and for introducing defective European ones. The problem should be thought out anew from utilitarian premises, and 'a code of laws' devised, in which 'the principles of substantial justice shall be accurately adapted to the circumstances of the society'.[79]

In his article in the *Edinburgh Review* Mill touched on another possible means of speeding up India's development, the admission of European colonists.[80] The Company had always opposed large-scale European settlement because of the political dangers which they believed would follow from it (Doc. 40). But by 1813 confident claims were being made that free trade to and from Europe, with the free export of capital from Europe and the ending of restrictions on European residence, would be of great benefit to India (Doc. 42): new industries and agricultural techniques would be introduced, creating more employment and encouraging Indians to adopt these improvements for themselves. Most free traders were not seriously concerned with the economic condition of India, except in the vague sense that a prosperous population would be able to buy more British goods, their arguments being simply an additional weapon in the great onslaught being launched against the Company's monopoly.[81] But a few were genuinely convinced that rapid progress could only be made if

[76] R. and S. Wilberforce, *The Life of William Wilberforce,* 1838, iv. 115–16.

[77] *The History of British India,* 4th ed., ed. H. H. Wilson, 1840, i. 385.

[78] *Ibid.* vi. 150.

[79] *Edinburgh Review,* xvi, 1810, p. 156; see also Stokes, *English Utilitarians,* pp. 145–7.

[80] *Edinburgh Review,* xvi. 135.

[81] See below, pp. 99–101.

Europeans were given unrestricted access. The most circumstantial criticisms of the Company's government in the debates on the charter renewal in 1813 came from Robert Rickards, who had served for twenty years in India. He spoke of poverty and discontent in the countryside, and argued that only the free influx of 'British capital and British skill' could transform the Company's provinces.[82]

Most critics of the official policy of cautious innovation advocated more rapid westernization. There were a few, however, who, retaining their faith in the self-sufficiency of Indian institutions, wanted the Company to call a halt to change and to try to reconstruct indigenous models. They argued that while the Permanent Settlement and the judicial reforms in Bengal had not achieved any real improvement in the countryside, they had produced other unwelcome consequences. In particular, there had been a very brisk market in the new freehold rights and far-reaching changes in the ownership of land. In the Madras Presidency a group of Company servants had evolved a technique of collecting revenue directly from the cultivators, which seemed to them both to impose fewer burdens on the rural population and to be much more in accordance with traditional methods than the Bengal system. The views of Thomas Munro, the leading exponent of this policy at Madras, coincided with those of the two men to whom the drafting of the Fifth Report of the Select Committee of the House of Commons had been entrusted.[83] When the Report appeared in 1812, its tone was in general critical of the Permanent Settlement, and it described settlements with individual cultivators as closer to 'the local institutions, and the Hindoo system of financial economy, as contra-distinguished from the altered and perverted form, which it assumed under the Mahommedan government'.[84]

Arguments as to whether the Company should innovate further or retrace its steps were largely conducted within a coterie of self-confessed Indian experts, rarely, except in the case of the missionary question, coming before the public at large. The only major issue which attracted popular attention to any degree in the first decade of the nineteenth century was of a rather different kind, the problem of war and the expansion of British conquests. Pitt's India Act of 1784 had forbidden the Company to fight aggressive wars and had declared that conquests were repugnant to the national honour (Doc. 18). These clauses were repeated in the Charter Act of 1793. Yet by 1813 the

[82] *Parlt. Debates*, xxvi. 516–17.

[83] K. A. Ballhatchet, 'The Authors of the Fifth Report of 1812', *Notes and Queries*, ccii, 1957, p. 478.

[84] *The Fifth Report*, ed. Firminger, i. 320. This policy is discussed in detail in Beaglehole, *Thomas Munro*.

Company had subjugated nearly every Indian state south of the Sutlej river which had shown any inclination to pursue an independent policy, had made vast acquisitions of territory, and had sent expeditions round the Indian Ocean from Suez to Java.

The pace of expansion had varied from Governor General to Governor General. In spite of his war against Mysore in 1790, both in his first administration from 1786 to 1793 and on his return to India in 1805 Lord Cornwallis had interpreted the Acts strictly, as did Sir John Shore from 1793 to 1798; and if a recent study of the foreign policy of Lord Minto between 1807 and 1813 suggests that he was not as cautious in his dealings with Indian states as he is usually assumed to have been, he was responsible for acquiring little fresh territory.[85] But between 1798 and 1805, under Wellesley, adherence to the Acts of 1784 and 1793 was extremely tenuous. Wellesley exalted the 'military spirit and character of the government in India' above the 'mercantile interests, prejudices, and profits' of the Company.[86] Although he does not seem to have pursued a deliberate policy of aggrandizement (he made a nice distinction between 'the extension of British territory in India, by just and legitimate means' and 'schemes of conquest and irregular ambition'),[87] he was very quick to see a threat to the Company's interests which justified resort to war, and he practised the sort of diplomacy which left his opponents little alternative between abject capitulation and armed resistance. Victory, in his view, entitled the Company to heavy territorial indemnities from the vanquished.

The new wave of conquests produced varying reactions at home. At one extreme the arguments which Wellesley himself used to justify war and annexation were aired in the press and in Parliament, often by his relations or personal supporters. The most revolutionary of these arguments was in a sense a logical consequence from the increasing confidence which most men felt in the achievements of the Company within its own provinces. If British rule could improve the lives of millions in Bengal, was there not a case for extending its blessings to other states and converting them from 'a scene of waste and anarchy into a source of domestic prosperity', even at the price of war and the overthrow of Indian rulers?[88] At the other extreme was the Whig parliamentary opposition who interpreted the Acts with the utmost rigidity. No war and no extension of territory could be justified.

[85] A. Majumdar, 'Lord Minto's Administration in India', Oxford D.Phil. dissertation, 1962.

[86] *Wellesley Despatches*, ed. Martin, iii. 202–3.

[87] *Ibid.* iii. 524.

[88] L. D. Campbell, *A Letter Addressed to a Member of the Present Parliament, on the Articles of Charge against Marquess Wellesley*, 1808, pp. 228–9.

Fox even censured Cornwallis's apparently defensive war against Mysore in 1791.[89] Whigs denounced Wellesley's wars as breaches of faith, pouring out wealth in the futile conquest of worthless territory. As war succeeded war, the majority of the Directors of the Company also began to oppose Wellesley. The Directors disliked Wellesley partly, as they showed in their remonstrance to the Board of Control (Doc. 10), because they regarded him as autocratic and uncontrollable, carrying on his government without reference to the authorities at home or at best by secret communication with ministers, but most of all because they still considered that the objections to war in India were as valid as they had ever been. They found no charms in Wellesley's vision of a great military empire. It was very doubtful if the revenue derived from new conquests would meet the increased costs of government and defence, while they would expose the Company to the hatred of more and more Indian states, leading to fresh wars. War so consumed the Company's resources that cargoes could only be sent to London with money borrowed at high rates of interest in India. Only by strict economy, the Company argued, could India be 'what it ought to be, a source of support to the mother country'.[90]

Most governments after 1784 were prepared to sanction a limited extension of the Company's territories. Dundas, even though he was the author of the famous resolutions of 1782, indulged both in vague hopes of 'future aggrandizement'[91] and in specific plans for acquisitions in western India.[92] But the extent of Wellesley's wars alarmed him. He and his successors were as concerned with over-spending in India and as sceptical of the benefits of indiscriminate annexation of territory as the Directors were. On the other hand, the value of Wellesley's energy and military talents at a time when the French threatened a major offensive in the East was undeniable. Successive governments thus felt themselves obliged to stand between him and his critics in Parliament and the Company, justifying what he had done but urging restraint on him. By 1804 the patience of Lord Castlereagh at the Board of Control was wearing thin; on receiving news of a fresh round of wars, he and Pitt decided that Wellesley 'could not be suffered to remain in the government'.[93] Cornwallis was sent back to India where he told the Commander-in-Chief that it was 'not in the opinion only of ministers, or of a party, but of all reflecting men of every description', that Britain could not sustain an Indian empire which de-

[89] *Parl. Hist.* xxviii. 1316–18.

[90] IOR, Correspondence between the Court of Directors and the Board of Commissioners for India, ii. 128.

[91] H. Furber, *Henry Dundas, 1st Viscount Melville*, 1931, p. 70.

[92] P. Nightingale, 'British Commercial Interests and the Expansion of the Bombay Presidency, 1784–1806', Cambridge Ph.D. dissertation, 1964, pp. 38–9.

[93] *Cornwallis Corr.* iii. 523.

manded more and more men and returned 'little other profit except brilliant gazettes'.[94] This remained official policy until 1813. In 1811 the government was said still to be 'strongly impressed . . . with the inexpediency of extending our colonial possessions in India'.[95]

Any final verdict on the degree of control exercised by Britain over what was done in her name in India between 1757 and 1813 must be that for the most part opinion at home reconciled itself to the news of events rather than determining their course. The Company's early conquests were neither foreseen nor planned in Britain, and the later wave of expansion under Wellesley was achieved in the face of considerable opposition from home. The physical obstacles to effective supervision remained as intractable as ever throughout the period; until they were overcome, the principle of public responsibility for the government of India, even if fully recognized at home, could not be properly enforced. But if the policies followed in India were largely decided in India, it is still true that the character of British rule was dictated from home. The dispatches of the Court of Directors, reinforced from time to time by the government, consistently tried to enforce high standards. The Directors and the government were periodically prompted to action by the House of Commons, which, even if it had no taste for the details of revenue settlements or judicial codes, was prepared to conduct inquiries and threaten punishment. The House in its turn reflected the concern of 'the public' in the limited eighteenth-century use of that term. Although, as the future Duke of Wellington commented with characteristic realism, 'the public mind' as late as 1805 still could not be 'brought to attend to an Indian subject',[96] it did feel a rudimentary concern for good government. This combined pressure of Company, government, Parliament and public succeeded in bringing about a real improvement in the quality of the Company's rule, within the limits, accepted by all save a few exceptional individuals, of India's status as a tributory of Great Britain.

[94] *Ibid.* iii. 545.

[95] Melville to Minto, 10 July 1811, National Library of Scotland, MS 1063, p. 130.

[96] *Supplementary Despatches and Memoranda of Field Marshal Arthur Duke of Wellington*, 1858–65, iv. 539.

3

Trade and Tribute

THE previous section's preoccupation with questions of Indian government is liable to give a somewhat distorted picture of the nature of Britain's connexion with India in the eighteenth and early nineteenth centuries. Although many Englishmen saw the importance of India to Britain in terms of an increase in British power against France, and others were primarily concerned with the problems of how to rule millions of new Indian subjects, for the great majority relations between Britain and India were still envisaged in commercial terms, as they had been ever since English ships had first entered the Indian Ocean. India was expected to contribute to the economic well-being of Britain. The profits of trade between Britain and India counted for more than the outcome of battles or the introduction of new methods of administering justice. The level of the East India Company's dividend, the current price of its stock, and the results revealed by the India Budgets, were for most men the true gauge of the success of British rule. The debate on how the trade with Asia could best be exploited, whether by a single company, a completely open trade, or a combination of monopoly and private ventures, was as vigorous as the debate on how India should be ruled.

In the mid-eighteenth century, on the threshold of its conquests in India, the Company's trade with the East was still set in the pattern which had emerged in the late seventeenth century; it was indeed still regulated by the charter granted in 1698 (Doc. 30). The Company's charter ensured that it would have no other British competitor east of the Cape of Good Hope or west of Cape Horn. But in return for its monopoly the Company's freedom to carry on its trade in the manner that seemed most profitable to it was considerably restricted, both by the terms of the charter and by various Acts of Parliament. Limits were placed on the Company's borrowing; and the type of goods which it took to the East, the cargoes which it brought back and the way in which it disposed of these cargoes were all regulated according to some concept of the national interest.

The Company's nominal capital amounted to £3,200,000, but since all of this (with an additional £1 million) was lent to the state, the Company in fact traded with the £3 million which it had been permitted to raise by the sale of annuities in 1750,[1] and with money borrowed by issuing bonds for a minimum period of six months. By the middle of the eighteenth century these East India bonds had become a very popular form of short term security and the Company was able to reduce the interest which it paid on them to 3 per cent. Limits were placed by Acts of Parliament on the amount of bonds issued by the Company, the most recent being one of 1744 which restricted them to £6 million.

The Company paid for its purchases in the East with exports either of goods from Europe or of bullion. By its charter the Company was bound to export British manufactures worth at least a tenth of its trading capital in any one year. Constantly subjected to criticism for failing to export enough, the Company did its utmost to fulfil and even to exceed this condition, even though the obstacles to selling European goods in Asian markets were formidable. Throughout the eighteenth century the staple items of the Company's export cargoes were woollen cloth and metals, normally copper, iron and lead. The poverty of the mass of the population and the unsuitability of wool in a warm climate obviously limited sales.[2] Yet a real measure of success was achieved. In the first half of the eighteenth century sales steadily increased, until in the fifteen years before Plassey they reached an average yearly value of £240,000.[3] Exports at this level still left a very large balance, on average about £700,000 a year, to be made up by shipments of bullion. Most contemporaries deplored the need for these shipments, and the accusation that the East India trade denuded Britain of her wealth was still heard on occasions.[4]

By the eighteenth century Indian cottons, or 'piece goods', of a finer quality than anything which could be produced in Europe before the full development of mechanical methods of spinning and weaving, had become the basic item of the Company's imports. Piece goods, which the Company obtained from Gujarat in western India, from the area south of Madras, and above all from Bengal, were divided into a bewildering range of categories to which heavily anglicized Indian names were given. For practical purposes they were usually classified

[1] F. R[ussell], *Short History*, pp. 7–8.

[2] See the debate on exports in 1773 in *The History, Debates, and Proceedings of both Houses of Parliament . . . from the year 1743 to the year 1774*, (ed. J. Debrett), vi. 534–6.

[3] F. R[ussell], *Short History*, p. 23. For details see Balkrishna, *Commercial Relations between India and England (1601–1757)*, 1924, pp. 207 ff.

[4] Eg. *Thoughts on the Present State of our Trade to India. By a Merchant of London*, 1754, p. 20.

either as calicoes or as the more delicate muslins, and as white cloth, which could be imported for sale in Britain, and 'prohibited' coloured cloth, which must be re-exported, Acts of 1700 and 1720 having made it illegal for any stained or dyed cotton cloth to be used or worn in Britain. The Company also imported small quantities of Indian silk cloth (which again could not be sold in Britain) and some raw silk produced in China or Bengal. Raw silk was potentially an important item since it would relieve the British silk industry from its dependence on supplies from Italy or the Near East, but so far most of the Company's silk had proved to be of inferior quality. The list of Indian imports was completed by two commodities which the Company had been purchasing since the seventeenth century: saltpetre and pepper. Saltpetre was used in making glass and gunpowder, the Company being obliged to supply the Ordnance with 500 tons at a fixed price. The Company maintained settlements for buying pepper on the Malabar Coast of south-west India and in Sumatra, although they claimed that pepper had long since ceased to be a profitable article for them.

The other main sphere of the Company's operations was China. Throughout the century the China trade was coming more and more to mean trade in a single article, tea. Tea drinking began to spread in England in the first decade of the eighteenth century; in the 1720s and 1730s imports of tea from China increased rapidly; by the 1770s there is evidence that tea was becoming part of the diet of even the poorest; and by the 1790s the consumption of tea was said to be universal. In China the Company traded on very different terms to those which it enjoyed in India. It was not free to set up virtually sovereign settlements garrisoned with troops and warships, or to deal directly with the tea growers as it dealt directly with the Indian weavers. Like other Europeans, the British were confined under stringent restrictions to the single port of Canton, where they exercised no authority of any kind; and they were compelled to buy their tea through a group of Chinese merchants, who in the 1750s were combining into a single closely regulated body, giving the foreigners very little scope for negotiating prices and conditions.

The Company's cargoes to and from the East were carried in its famous East Indiamen. The Company's shipping system was a strange and anomalous one, a serious drag on its profits in the early eighteenth century and a source of acute embarrassment later. Its overwhelming defect is revealed by the statement of the historian of the British shipping industry that 'in this trade as in no other, freight rates failed to decline under the impact of technical improvements in ships'.[5] The

[5] R. Davis, *The Rise of the English Shipping Industry in the Seventeenth and Eighteenth Centuries*, 1962, p. 265.

Company consistently paid more for shipping than was necessary. There was general agreement as to why the East Indiamen cost so much (Doc. 31): in the first place they were thought to be too big and to be fitted out too elaborately for the tasks they had to perform as merchantmen. While there were formidable arguments in favour of large well-equipped ships able to defend themselves in wartime (Doc. 32), there was no obvious justification for employing more ships than the Company needed, so that many lay idle for long periods at the Company's expense, or for loading the ships well below their full capacity when they were used. In 1773 a committee of the House of Commons recorded the opinion that whereas the Company was retaining 87 ships, it actually only required 55, and that only 24 fully-loaded ships needed to be sent out in any year instead of the usual 30.[6]

At the root of the problem was the fact that although the Company did not own ships it invariably dealt with the same highly-organized body of shipowners who were able to dictate their own terms and eliminate any competition from outsiders. The cost of building and fitting out an East Indiaman, contributed by a large groups of investors, could amount to over £60,000 by the end of the period.[7] Since the requirements of the Company were highly specialized and an East Indiaman could not be used on any other type of voyage, it was not unreasonable that those who undertook to build one should be given an assurance that it would be employed by the Company. But the conditions extracted by the owners in the eighteenth century went far beyond this. Owners had established the right that once their tender of a ship was accepted, they could replace it every four voyages and go on building on a 'permanent bottom' regardless of the Company's actual needs. Similarly, the ships' masters had won the right either to be permanently employed or to sell their extremely lucrative commands to others who would continue to enjoy them. The power of the owners rested ultimately on their voting strength in the Company. In spite of a by-law of 1709 which stipulated that no Director should be concerned in any ship offered to the Company, a body of Directors and shareholders, united by their interest in building, fitting out, or owning the Company's ships and said to command 200 votes in the late eighteenth century,[8] could always be expected to defend the shipping system against any attack on high freight rates.[9]

The conditions under which the Company's cargoes were sold in

[6] *Reports from Committees of the House of Commons*, iv. 260.

[7] *PP.* 1812, vi. 24–5.

[8] Philips, *East India Company*, p. 81.

[9] There is an illuminating account of the Company's shipping in the mid-eighteenth century in L. S. Sutherland, *A London Merchant 1695–1774*, 1933, pp. 81 ff.

Britain were regulated by its charter. All goods had to be disposed of publicly by auction at a limited number of sales advertised well in advance. Coloured cloth was of necessity sold to be re-exported to Europe, the Near East, the British colonies in North America or the West Indies, or to the slave coasts of Africa, where there was a large and expanding demand for Indian textiles.[10] A high proportion of the white cloth was also re-exported. When accused of trying to undermine the new Lancashire cotton industry by flooding the home market in the 1780s with cheap Indian goods, the Company produced figures to show that only about one sixth of its white muslins and between one quarter and one third of its white calicoes remained in Britain after being sold in London.[11] The British were already the great tea drinkers of Europe. About 90 per cent of the Company's tea was drunk at home in the mid-eighteenth century,[12] and much of the tea initially imported into other European countries found its way into Britain as well. A succession of steep increases in the duties collected by the government on tea sold in London, amounting to 75 per cent of the average price in the 1750s and later rising still higher, provided the incentive for a huge and elaborate smuggling trade stretching from the Faroe Islands to Brittany and made the adulteration of tea a 'national industry' in Britain.[13]

In the fifteen years before Plassey the Company's sales realized an average of about £2 million a year.[14] This level had been attained in the 1720s and was to remain more or less static until the conquest of Bengal. The Company usually showed a profit at the end of each year of about £500,000, its accountant telling the House of Commons in 1767 that 'these profits have in many years made very little alteration'.[15] The dividend paid to holders of India stock had only once since 1722 fallen below 7 or 8 per cent. All in all, in 1757 the Company could look back on fifty years of steady success, while the East India trade, employing about 2 per cent of British shipping,[16] bringing in approximately 13 per cent of the national total of imports, and providing an outlet for 5·5 per cent of British exports,[17] had made a significant, if in no sense a decisive, contribution to the prosperity of eighteenth-century Britain.

[10] A. P. Wadsworth and J. de L. Mann, *The Cotton Trade and Industrial Lancashire 1600–1780*, Manchester, 1931, pp. 157–60.

[11] Public Record Office, BT, 6/227.

[12] Dermigny, *La Chine et l'occident*, ii. 631.

[13] *Ibid.* ii. 628 ff.

[14] F. R[ussell], *Short History*, pp. 23–4; Balkrishna, *Commercial Relations*, p. 189.

[15] Brit. Mus., Add. MS. 18469. f. 51.

[16] L. A. Harper, *The British Navigation Laws*, New York, 1939, p. 240.

[17] Balkrishna, *Commercial Relations*, p. 226.

With the acquisition of the *diwani* of Bengal in 1765 and the promise of a great surplus of territorial revenue (the extent of which was much exaggerated at the time),[18] there seemed every prospect that the contribution of Asia to Britain's prosperity would increase by leaps and bounds. It was generally recognized that in transferring the wealth of their new provinces to Europe the British could not treat India as the Spaniards were commonly supposed to have treated their American empire. 'If it is asked why do not the Company send all their overplus revenues to England', Lord North explained to the Commons in 1769, 'the answer is, India may be compared to a hen which lays a golden egg a day: if you draw off in bullion the revenues of that country you kill the hen to get all her eggs at once'. He went on to point out that the only practical way of bringing home the revenue of India was by trade. 'To draw off, therefore, the wealth of that country without ruining it, must be by investments in India, in the growth and manufacture of those countries, which investments must be sold in Europe'.[19] The Company must use its Indian revenue to buy more goods to increase its sales in London. The Company fully accepted its new responsibilities. On receiving the news of the *diwani*, the Directors immediately ordered their servants in Bengal to 'enlarge every channel for conveying to us as early as possible, the annual produce of our acquisitions' (Doc. 33). The House of Commons was told in 1767 that the Company hoped to be able to raise the value of their sales to £4 million, that is to approximately twice what they had been before the conquest of Bengal.[20]

A doubling of the Company's sales was easier to promise than to bring about, and was not in fact to be achieved until the 1780s. Any expansion of the Company's trade as a means of transferring wealth to Europe was beset with difficulties. In the first place, commerce was not the only demand on the surplus revenue. The Company's new responsibilities acquired with the *diwani* and subsequent conquests brought with them a great increase in the costs of government and defence in India. In years when the Company was at war costs often took all the available revenue leaving no surplus for trade. Assuming that the funds existed in India, the second problem was to find goods which would sell in London. With the rise of the British cotton industry, the market for Indian piece goods in Europe became increasingly precarious, and although vigorous attempts were made to develop the Company's trade in other lines they met with only partial success.

[18] See above, pp. 58–9.

[19] *Parliamentary History, Debates, and Proceedings*, v. 75.

[20] Evidence of Thomas Rous, Brit. Mus., Add. MS. 18469, f. 67.

With the conquest of Bengal the Company's civil and military charges rose from an average of approximately £300,000 to £2,700,000 in 1770.[21] The Directors might impute this to extravagance by their servants and exhort them to economy in nearly every dispatch sent to India for fifty years, but they could never make any substantial reduction in the cost of governing Indian provinces or of the large armies maintained to deter Indian or European enemies. With the return of peace in the 1780s and 1790s, even if it was clear that the more extravagant promises made at the time of the *diwani* had turned to dust, there still seemed reasonable grounds for expecting a sizable surplus which could be remitted to Britain. In 1793 Dundas produced figures to show that a clear £1,400,000 a year would be available for investing in goods for Europe.[22] His prophecies, like those of Clive and his contemporaries in 1765, were brought to nothing by war. Wellesley's conquests nearly doubled the Company's territorial revenue, but increased its charges in the proportion of five to two and quadrupled its Indian debt.[23] A Select Committee of the House of Commons reviewing the years 1792 to 1809 was obliged to point out that instead of the surpluses promised by Dundas, there had been an overall deficit in India of some £8 million.[24]

During a war the Company's administration in India tended not unnaturally to regard the purchase of goods for Europe as the least pressing of their commitments. The amount set aside for 'the investment' would be reduced and on occasions suspended altogether. While this did not necessarily mean that imports from India ceased completely, it did mean that home-bound cargoes were generally paid for by borrowing in India, often on the security of bills of exchange payable in London, such bills enabling men with fortunes in India to send their money home by lending it to the Company. Thus as well as producing a crisis in the Company's finances in India, a war was likely to cause a crisis in London. Not only would the Company have to expect a smaller return from the sale of reduced cargoes, but it would also have to face extra obligations as the bills drawn on it in India became due for payment at home. War or the rumour of war was the direct cause of the financial crises which shook the Company in the late eighteenth century. Harassed by bills from India which it lacked the resources to meet, the Company had to apply to the state for help in 1772 and again in the early 1780s. Consequently, it was in a weak position to resist the conditions imposed on it in the Regulating Act of 1773 or in Pitt's Act of 1784. Prolonged war produced a similar

[21] *Reports from Committees of the House of Commons*, iv. 61–5, 72.
[22] *PP.* (*1731–1800*), xcvi, no. 774 (4).
[23] *PP.* 1810, v. 424.
[24] *Ibid.* v. 63–4.

crisis in the first decade of the nineteenth century. Imports were again cut down, paid for by borrowing in India, or by the resumption of the practice of shipping out bullion, which the Company had so thankfully abandoned after acquiring the *diwani*. Debts piled up in India and were passed to Britain by the drawing of bills of exchange which the Company had the utmost difficulty in meeting. It is therefore hardly surprising that the Directors did not share Wellesley's military enthusiasm. They were again forced to apply to the Treasury for help, and received loans totalling £4 million between 1810 and 1812. The Company's charter was due for renewal by 1813, and as early as 1808 the President of the Board of Control, pointing out that the Company required assistance, commented that ministers did not believe 'the people of this country will readily consent to afford such assistance without adequate concessions on the part of the Company in the monopoly of their trade'.[25] The price in concessions was to be a heavy one.

In theory, the conquest of India should have led to a great expansion of the Company's trade, as it became the vehicle by which the surplus territorial revenue was transferred to Britain and ceased to depend on the proceeds of the sale of the Company's exports or on shipments of bullion. In practice, surpluses can only be said to have existed in some years in the late 1760s and early 1770s, and again in the 1780s and 1790s.

The other problem with which any expansion in the Company's trade had to contend was that of finding markets for increased quantities of goods brought back from the East. Pessimists like Burke were already suggesting as early as 1772 that the Company's imports had 'gone to all the extents which the demands of trade (regulated as trade is as at present) can possibly bear'.[26] A greatly increased sale of piece goods, traditionally the staple of the Indian trade, was fraught with particular difficulties. Imports of Indian cottons had been unpopular with British silk and woollen manufacturers ever since the seventeenth century, and the Acts passed in 1700 and 1720 had been aimed at protecting the interests of silk and wool. By the time the Company acquired the *diwani* new rivals were appearing in the field; cotton goods were beginning to be manufactured on a large scale in Britain. The industry itself claimed that British calicoes had been successfully produced since 1772 and British muslins since 1781. The first major conflict between the Lancashire and Scottish cotton interests and the Company took place in 1788, when the cotton spinners accused the Company of suddenly increasing the quantity of its imports and lowering their price to drive their British competitors out of the home

[25] R. Dundas to Minto, 30 April 1808, National Library of Scotland, MS 1063, p. 21.

[26] *Burke Corr.* ii. 397.

market (Doc. 35). Proposals were put forward urging that the Company should be made to limit its imports of finished cloth and replace them with raw cotton which could be worked up in Britain. The Company denied that it was trying to damage the British industry. Although it promised to make purchases of raw cotton, it refused to commit itself to any limitation of its imports and ministers brought no pressure on it to do so.[27] When the Company's charter was renewed in 1793 delegates were again appointed from the cotton industry and petitions were again drafted calling on the Company to limit its imports of piece goods. But again the Company was not obliged to make any formal concessions, although Francis Baring, the Company's Chairman, assured Dundas that it was willing to allow British manufacturers a complete monopoly of such parts of the home market as were legally open to Indian imports.[28] Within a few years the technical progress of the British industry was such that British cotton no longer feared Indian competition, and British manufacturers no longer made serious efforts to restrict it.

The home market for piece goods which the Company had been willing to give up in 1793 was of minor importance compared with the market abroad. The extent to which Indian goods were re-exported from London depended both on the international situation and on the strength of foreign competition. War tended to close markets, but on the other hand it eliminated European competitors. The Company suffered badly in the War of American Independence, but with the restoration of peace it greatly increased its shipments of piece goods. By 1791 Baring saw the possibility of an immense expansion, believing that having made 'rapid strides in luxury' Russia alone might become a market capable of taking the whole of the Company's present sales.[29] The Company was, however, seriously alarmed by the growth of foreign competition. Nearly as many Indian piece goods were thought to have been sold at Lorient in 1791 as in London,[30] and there was also a flourishing trade in piece goods to Ostend, Copenhagen and Lisbon. With the outbreak of the general European war in 1793 French occupation or British blockade gradually crushed most of the Company's competitors, with the exception of the Americans, who, profiting from their status as neutrals and from the 1794 Jay Treaty which allowed direct trade between Indian and American ports, be-

[27] The Company's answer is in *PP.* (*1731–1800*), xcvi, no. 774c, appx. 1. The episode is described in A. Tripathi, *Trade and Finance in the Bengal Presidency 1793–1833*, Calcutta, 1956, pp. 24–5, and Harlow, *Second British Empire*, ii. 505–7.

[28] Wright, *East-Indian Economic Problems*, pp. 196–8.

[29] Baring to [Dundas], 18 November 1791, John Rylands Library, MS. Eng. 921.

[30] W. Milburn, *Oriental Commerce*, 1813, ii. 234.

came large-scale carriers of Indian goods to Europe.[31] Sales of piece goods in London generally remained high and even increased in the early years of the war. But after 1803, when Wellesley's wars reduced the sums available for the Indian investment, and especially after 1806 when Napoleon's continental system seriously disrupted trade between Britain and the continent of Europe, they began a decline from which they were never to recover.[32]

What war had begun the triumphs of the British cotton industry completed. In 1788 and 1793 the Company could negotiate with the British cotton delegates from a position of strength, confident that Indian piece goods were cheaper and of better quality than anything made in Lancashire or Scotland. Dundas asked derisively in 1793 whether the British manufacturer hoped 'to rival his master in an art, in which he was only an imitator'.[33] By 1813 the situation had changed. Witnesses told the House of Commons that in fine quality goods India still had a lead, but in the cheaper ranges British articles were as good if not better.[34] The cotton manufacturers no longer required protection, but were ousting Indian goods in European and colonial markets, and were even beginning to compete with Indian cloth in India itself. In 1806 an MP was looking forward to the day 'when the natives of India shall be supplied with cloth made here of their own cotton, leaving to the mother country all the profits of freight, agency, commission, insurance and manufacture'.[35] The first small shipments of British cotton goods to India began in 1786; but between 1814 and 1820 a trickle turned into a torrent as sales rose from 800,000 to 14 million yards a year.[36]

Although textiles remained the largest single component of the Company's imports, apart from tea, the Directors were fully aware that there were limits beyond which they could not hope to expand the sale of piece goods, and that other items must be developed if the Company's trade was to be the means by which a large surplus of revenue could be remitted to Britain. The Directors also showed every inclination to appease their critics who had begun by 1788 to urge the Company to concentrate its attention on Indian raw materials rather than on manufactured goods. There were, however, serious obstacles to the sale of Indian raw materials in Europe. Indian goods

[31] H. R. Ghosal, 'Indo-American Trade during the French Revolutionary and Napoleonic Wars', *Journal of Indian History*, xli, 1963.

[32] Figures are given in *PP.* 1812, vi. 80–1, and F. Crouzet, *L'économie britannique et le blocus continental*, Paris, 1958, ii. 890.

[33] *Parl. Hist.* xxx. 677.

[34] *PP.* 1812–13, vii. 465, 474.

[35] Speech by J. Prinsep, *Parlt. Debates*, vi. 445.

[36] A. Redford, *Manchester Merchants and Foreign Trade 1794–1858*, Manchester, 1934, p. 112.

were trying to compete in markets often already dominated by commodities produced in North America or the West Indies, and they were handicapped by high freight charges, caused partly by distance and partly by the wastefulness of the Company's shipping practices. Success in developing new imports, if achieved at all, was often slow and costly.

The most promising of all Indian raw materials seemed to be silk, quantities of which were already being imported before 1765. In 1767 the Directors told the Bengal Council: 'It is in the encrease of this article of our investment that we chiefly depend for the bringing home our revenues, the importation being a national benefit and the consumption more unlimitted than that of manufactured goods'.[37] An elaborate programme was launched for improving the quality of Bengal silk by sending out artisans from Italy and France and building new silk works with European machinery. Although the Company lost a great deal of money in its early experiments, by the 1770s Bengal had become one of the major sources of supply for the English silk industry and was to produce almost all the silk used in Britain when European imports were cut off during the Napoleonic War. The other raw material developed with success by the Company was indigo, the most important of the natural dyes. The Company had bought indigo in the seventeenth century but had been unable to hold their own against competition from American and West Indian importers. The American Revolution provided the incentive for a fresh attempt to find a European market for Indian indigo. From the 1780s the crop was being extensively cultivated by British planters in Bengal, and although the first shipments incurred heavy losses, by the beginning of the nineteenth century India had become the world's chief supplier of indigo.

Indian sugar and Indian cotton were much less successful during this period than raw silk or indigo. Sugar was widely grown in Bengal, the first European refinery being set up in 1776. The crisis which was to determine whether Indian sugar would become a major item in the Company's imports came in 1791, when the exceptionally high price of West Indian sugar caused by the slave rebellion on the French islands encouraged the Company to try consignments of sugar on the London market. The Treasury treated these consignments as a manufactured article, assessing them for duty at 37 per cent. Representations by the Company was countered by pressure from West Indian interests and no reduction was made. Considerable quantities of Indian sugar were sold in London between 1794 and 1800, but at the full rate of duty India could not compete with the West Indies under normal

[37] *Fort William-India House Corr.* v. 80–1.

conditions, and after 1801 Indian imports tailed off.[38] In the 1780s British cotton manufacturers had combined their attacks on the Company's imports of piece goods with praise for Indian raw cotton and exhortations to the Company to import it.[39] Practical experience convinced them, however, that Indian cotton was usually short-stapled, dirty and only fit for making coarse cloth. After 1788 the Directors periodically ordered large consignments of cotton to be shipped home, but British manufacturers only bought it with enthusiasm when their American supplies were cut off by the embargo of 1808–10.[40]

Tea was without question the great success story of the Company's trading operations. Success did not come at once. Up to 1784 the government continued to lay ever heavier burdens on tea and the Company suffered in consequence. The rate of duty rose from 90 per cent in the 1760s to 119 per cent by 1784. As a result, although the Company ordered its servants in Bengal to send as much of their surplus revenue as they could in bullion to Canton in order to buy more and more tea, the increased cargoes sold with the utmost difficulty and smuggling from Europe mounted to ever dizzier heights. The Company had 15 million pounds of unsold tea on its hands in 1767,[41] when it entered into an agreement with the government for a reduction in duties, any overall loss to the Exchequer being indemnified by the Company. Sales were increased, but the indemnity cancelled out any advantage, and in 1773 the Company was reduced to the expedient of obtaining leave to export tea on its own account direct to Boston, with spectacularly disastrous results. After 1774 the Company reduced its purchases at Canton, selling an average of 6 million pounds a year over the next ten years, while the most reliable estimate of the amount being smuggled into Britain without paying duty suggests that it amounted to at least an average of 7 million pounds over the same period.[42] The major part of all the tea brought from Canton in French Dutch, Danish or Swedish ships and sold at Lorient, Amsterdam, Copenhagen or Gothenburg for as little as half the London price,[43] was finding its way into Britain.

In 1784 a revolution took place in the tea trade with the passing of the Commutation Act (Doc. 34). This was a measure worked out by

[38] L. J. Ragatz, *The Fall of the Planter Class in the British Caribbean, 1776–1833*, New York, 1928, pp. 210 ff., 328.

[39] Eg. *Observations relative to the resources of the East India Company for productive remittance*, 1788, p. 2.

[40] *Reports and Documents connected with . . . the Culture and Manufacture of Cotton-Wool, Raw Silk, and Indigo, in India*, 1836, pt. i, pp. v–vii.

[41] E. H. Pritchard, *The Crucial Years of Anglo-Chinese Relations 1750–1800*, Washington, 1936, p. 192.

[42] Dermigny, *La Chine et l'occident*, ii. 673–8.

[43] *Ibid.* ii. 640.

the East India Company with the government of the younger Pitt to increase the Company's sales of tea and the government's income from the customs by a reduction of duty which would eliminate smuggling.[44] The duties were reduced at a stroke from 119 per cent to 12½ per cent. The Act more than fulfilled its purpose; after 1784 the tea trade never looked back. The Company's sales immediately rose from an average of 6 million pounds to an average of 19 million pounds and continental sales fell accordingly.[45] Although the demands of war finance forced the British government to increase the duties on tea to 20 per cent in 1795 and by stages up to 96 per cent by 1806, the Company's sales continued to rise, reaching nearly 26 million pounds in 1812. There was also a marked change in the quality of the tea drunk, the consumption of the more expensive varieties increasing very rapidly after 1784.[46] To pay for its huge purchases of tea, the Company was notably successful in developing its exports direct from Europe to Canton, and also in exploiting a sort of Asian triangular trade, in which private British merchants based in India shipped Bombay raw cotton, Malayan tin or Bengal opium to be sold at Canton, the proceeds being invested in tea for London. As a result of the greatly increased sales of British and Indian goods at Canton, in the twenty years after 1784 only 15 per cent of the Company's purchases in China were made in bullion.[47] Between 1793 and 1810 the China trade showed an estimated profit of nearly £17 million.[48] The Company freely admitted by 1813 that its trade with China, unencumbered with the costs of war and government, was the only really profitable part of its operations.

For at least twenty years after the acquisition of the *diwani* the East India trade was generally regarded in Britain as the means of transferring a 'tribute' to Europe from the new conquests in Asia. By the 1780s and 1790s, however, interest in Asian trade was taking new forms. With hopes of a large surplus of revenue in India being continually disappointed and with industrialization in Britain making spectacular progress, it seemed that a greater profit might be derived from the sale of British manufactured goods in India, China, and even in as yet unexplored markets round the Pacific and Indian Oceans, than from a doubtful tribute. Members of the government, manufacturers, and representatives from the outports were all beginning

[44] See the detailed study of the Act by Hoh-Cheung and L. H. Mui, 'William Pitt and the Enforcement of the Commutation Act, 1784–88', *English Historical Review*, lxxvi, 1961, pp. 447–65.

[45] Pritchard, *Anglo-Chinese Relations*, pp. 192–3.

[46] Dermigny, iii. 1015–17.

[47] *Ibid.* iii. 1220.

[48] *PP.* 1812, vi. 11.

to pay as much attention to the Company's exports as to its imports. This increasing interest in 'a British empire of trade in Asia' is a major theme of the late Professor Harlow's magisterial volumes on *The Founding of the Second British Empire*.[49] Abundant as the evidence is which Professor Harlow produces to show a change in attitude, it is also clear that the idea of a tribute through imports still remained current at least until 1813. Indeed, Dundas, whom Professor Harlow rightly sees as one of the architects in the search for new Asian markets, was still writing in 1799 of his hopes 'for the payment of tribute to this country, through the medium of a beneficial and encreasing commerce'.[50]

Campaigns to force the Company to export more were by no means new. In 1769 the minimum quantity of British goods which the Company was required to export was raised to £380,000 in one year.[51] A considerable increase in sales abroad was achieved after 1765, the yearly average rising from about £300,000 to about £750,000 in the 1780s.[52] A large part of this increase was, however, contributed by luxury items for the new European communities or by stores for the Company. In 1791 the Court of Directors reported that of the articles primarily intended for Indian buyers, the sale of metals was improving but woollen goods remained hard to dispose of even at a loss (Doc. 36). In separate reports on India, China, and Japan and Persia, the Directors concluded that in the main European goods were not fitted to Asian markets, that the mass of the population could not afford to buy them even if they had wanted them, and that outside the Company's provinces trading conditions were too uncertain to risk large consignments. With the exception of China, the Directors saw no immediate prospects of any large increase in British exports to Asia.[53] Most British manufacturers refused to accept these conclusions, maintaining that if the Company could not sell British goods in the East the fault lay with the Company and not with the goods. But for all the Directors' pessimism exports to India continued to increase, if never at a rate which the Company's critics regarded as adequate. Sales of British goods in India in 1811 were worth three times what they had been in 1792, and even the sale of woollens had more than doubled.[54]

In 1791 the Directors had been less sceptical about the prospects for greater British exports to China than they had been about any other Asian market. Sales were much improved since the Commutation Act

[49] This phrase occurs in vol. ii, p. 486.
[50] *Wellesley Despatches*, ed. Martin, ii. 108.
[51] 9 Geo. III, c. 24, sec. 6.
[52] F. R[ussell], *Short History*, pp. 23–4.
[53] The reports are reprinted in *PP.* (*1731–1800*), xcvi, no. 774 (b).
[54] See the table in Tripathi, *Trade and Finance*, p. 131.

had increased British purchases of tea at Canton, but there were major obstacles in the way of further expansion. The Company were only permitted to trade at Canton and were thus excluded from trying to sell woollens in northern China where climatic conditions were obviously in their favour. In Canton itself, the alleged corruption of the merchants and in the town administration was said to make dealing very hazardous. Unsatisfactory as the position was, the Company felt that any attempt to gain more concessions was likely to antagonize the Chinese authorities and jeopardize what had been gained with so much difficulty. The initiative was, however, taken by the British government, in the person of Dundas, who was convinced that something must be done to improve access to China for British goods as well as to ease the conditions under which trade was carried on at Canton. With some reluctance, the Company agreed to the sending of an ambassador from George III who was to try to make contact with the court at Peking. The ambassador was to ask for a port over which the British Crown could exercise full authority, and also for a concession to trade in northern China, where it was hoped that British goods would sell much more readily than in Canton. After the first ambassador had died before reaching China, Lord Macartney, a former Governor of Madras, was sent out in 1792. He was received at Peking and delivered the samples of the wonders achieved by British manufacturers, with which he had been liberally supplied, but otherwise made little progress. Neither a free port nor access outside Canton were granted. But although Macartney failed at Peking, trade with Canton continued to develop. More and more tea was purchased with the proceeds of British exports: woollen goods in particular, which were clearly finding their way from Canton to northern China, Cornish tin, and lead. Sales of the famous worsted long ells rose from 30,000 pieces to 170,000 pieces.[55] Amidst the clamour of manufacturers against the Company in 1813 the clothiers of the western counties of England paid tribute to a body which had done so much 'to promote the staple manufacture and produce of this kingdom'.[56]

In the fifty years after the conquest of Bengal spectacular changes took place in the economy of Great Britain. Possession of an empire in Asia undoubtedly contributed to these changes, but few economic historians would now argue that its contribution had been of major importance. In fact, the position of Asian trade in the pattern of British trade as a whole was not greatly different at the beginning of the nineteenth century from its position in the 1750s. By the years 1803–5 exports to Asia had risen from 5·5 per cent of the British total to 6·2 per cent. The level of Asian imports had shown a much more dramatic

[55] Pritchard, *Anglo-Chinese Relations*, pp. 154–6.
[56] *Journals of the House of Commons*, lxviii. 308–9.

increase from 13 per cent to 21 per cent,[57] a high proportion of these goods, apart from tea, contributing to the sharp rise in British re-exports.[58] Thus in a period in which British overseas trade had roughly trebled, the East India trade had more than held its own. Moreover, if theories that fortunes made in India provided capital directly invested in industrialization are extremely implausible, it is still true that the British connexion with India created a great deal of employment and that a few individuals were enriched by it. But even so, prophecies of a vast influx of wealth had not been fulfilled. Most contemporaries who assessed the record of the Company's stewardship in the fifty years since they had conquered Bengal were prepared to accept that trade with China had been well conducted, but there were serious doubts as to whether Britain was benefiting to the full from her empire in India.

It is certainly true that the Company's Indian trade had become increasingly unprofitable. Because of the difficulty of separating charges in India which relate to commerce from charges which ought to be attributed to the costs of government or defence, estimates of the profit or loss on the Company's Indian cargoes are extremely hazardous.[59] Informed calculations varied from that of a committee of the House of Commons which believed that Indian goods had made a profit of over £5 million on their sales in England from 1793 to 1810,[60] to that of Joseph Hume, the radical MP, who suggested that for twenty years before 1813 the average annual loss had been £200,000.[61] If Charles Grant, the Company's great champion, was prepared to admit in 1813 that trade with India 'had been of late years no great object of profit', it is unlikely that he exaggerated.[62]

If, as seems probable, the Company had not been conducting its Indian trade on a profitable footing for some years before 1813, the conservatism of the Company's commercial practices must take part of the blame. The Company's system was geared to handling goods

[57] The figures for 1803–5 are taken from Crouzet, *Le blocus continental*, i. 154. The relative importance of Asian trade is discussed in P. Marshall, 'The First and Second British Empires: A Question of Demarcation', *History*, xlix, 1964, pp. 14–15.

[58] E. B. Schrumpeter, *English Overseas Trade Statistics 1697–1808*, Oxford, 1960, p. 13.

[59] Professor Furber, for instance, suggests that the Company's Indian trade was running at a heavy loss even in the 1780s; but he subtracts 'the whole of the charges applicable to India alone' from the results of the Company's sales (*John Company at Work*, Cambridge, Mass., 2nd printing, 1951, pp. 267, 343–4).

[60] *PP.* 1812, vi. 11.

[61] *Substance of the Speech of Joseph Hume . . . on the 19th of January, 1813*, 1813, p. 148.

[62] *The Preliminary Debate at the East-India House, on . . . the 5th January, 1813*, 1813, p. 34.

whose high value would compensate for expensive ships and expensive establishments in the East. This was still a sound basis on which to conduct the China trade, but it was ceasing to be sound for India, where the future lay in exports of mass-produced European goods and imports of cheap bulk cargoes. The Company made strenuous efforts both to increase its exports and to bring home more Indian raw materials; but events after the ending of the monopoly were to show that both functions could be performed better by private traders.

There were, however, other reasons for the Company's failure to make a profit out of its Indian trade, apart from its conservatism, and apart from the self-gratification of vested interests, which the Company's critics sometimes assumed to be the dominant motive behind its policies. The Company was not free to conduct its business on strict commercial principles. As the holder of a monopoly it owed responsibilities to Britain, and as the ruler of India it owed responsibilities to its provinces. So long as imports from India were regarded as the means of remitting a tribute, the Company was bound to maintain them at the highest level without paying overmuch regard to their profitability.[63] Dundas told the House of Commons that purchases must also be maintained to keep Indian artisans in employment and to prevent European rivals from capturing markets.[64] The Company was obliged to persevere with items like pepper and saltpetre which continuously sold at a loss, or with new raw materials like silk and indigo which incurred heavy losses for several years. As Lord Castlereagh said, the Company imported 'on enlarged principles of steady encouragement to the manufacturing interests both at home and abroad, rather than on the confined scale of mercantile profit and exclusive advantage'.[65]

Whether the Company failed because of its own deficiencies or because the demands made on it as monopolist and ruler were incompatible with a profitable trade, its failure was harshly judged. By 1813 its critics could no longer be held at bay and its monopoly of trade to India was broken.

Attacks on the East India Company's monopoly had a long history going back to the seventeenth century. In 1730 a group of merchants from London and the outports had tried to have the Company's privileges transferred to them,[66] and pamphlets advocating an open trade

[63] In December 1776 the Directors wrote that if there was a clear surplus of revenue in Bengal they did not regard the 'nominal price of our investment' as 'a matter of consequence' (IOR, Bengal Despatches, viii. 265). Insistence on 'the strictest commercial principles' was enforced by the Board of Control after 1784 (IOR, Correspondence of the Court of Directors and the Board of Commissioners for India, i. 74).

[64] *Parl. Hist.* xxxii. 83; xxxiv. 574–5.

[65] *Parlt. Debates*, ii. 1160. [66] Sutherland, *East India Company*, pp. 27–30.

appeared at intervals throughout the eighteenth century. The usual arguments invoked for abolishing the monopoly were that exports of British goods would be much increased (and exports of bullion correspondingly reduced), that competition would lower the price of Asian commodities to the consumer, and that other ports apart from London would benefit from the trade. In 1776 the Company was very roughly handled indeed in *The Wealth of Nations*, Adam Smith denounced trading companies with monopolies as 'nuisances in every respect', which were 'properly established against the very nation which erects them', keeping up the price of imports and diverting capital from more productive uses.[67] Smith's views were to have more effect in the early nineteenth century than at the time they were published. The Company's monopoly was not in danger so long as the hazards of the East India trade still seemed to require a large capital and heavy outlay in ships and fortified posts, and so long as the trade was dominated by commodities such as piece goods and tea which the Company had handled with success for so long. At times the Company's right to govern India was in jeopardy, but its commercial privileges were never seriously threatened.

With the ending of the War of American Independence the situation began to change. The success of the Company's armies and administrators was producing stable trading conditions with much less risk, while developments both in Britain and India were creating new patterns of trade, requiring techniques different to those which the Company had used for so long. New industries at home were beginning to look to Asia for markets and for imports of raw materials, which increasing private British investment in India was endeavouring to supply. Because of its monopoly, British manufacturers and investors in India had to depend on the Company to carry their manufactured goods to India and to bring back their raw materials. When the facilities which the Company provided were judged inadequate, private merchants began to claim the right to provide their own, and thus to break into the Company's monopoly. The monopoly was to be brought to an end in 1813 by the strength of attacks on it in Britain; but at first pressure from the private British community in India was the more sustained and effective.

Although the Company's monopoly extended from the Cape of Good Hope to Cape Horn, it was rigidly applied only to prevent direct trade to and from Britain. No British merchant ship could round either Cape unless it was employed by the Company; but in the Indian Ocean restrictions had long since been relaxed. The Company had virtually abandoned trade between Asian ports to private individuals

[67] Adam Smith, *The Wealth of Nations*, (ed. E. Cannan), 6th ed., 1950, ii. 146–50

in their own ships, usually built in India. In the 1750s all the British settlements in India contained sizable communities of Europeans trading on their own account. As the Company made its conquests, these communities grew in size and their activities multiplied. In spite of attempts to control them, more and more Europeans settled in the East. The fortunes made by soldiers and civil servants were invested in more ships and more frequent voyages, and in Bengal in enterprises such as indigo plantations, silk works and sugar refineries.[68] Private European business houses came into being in Calcutta, Madras and Bombay, known as 'houses of agency'.

As their operations expanded, the houses of agency began to chafe at the restrictions imposed by the Company on direct trade between Britain and India (Doc. 37). They wanted to be able to ship crops grown on the new plantations in Bengal to London, and to receive cargoes from Europe whose sale would provide them with much-needed capital.[69] Their conflict with the Company was over means rather than ends. Recognizing the need to diversify its imports by increasing the tonnage of raw materials sent to London, the Company had no objection to purchasing goods produced by private Europeans. It also recognized that it had a duty to export as many British manufactured goods as possible. But both imports and exports had to be carried in ships, and friction arose over the type of ship to be used. The houses of agency claimed the right to send their own ships built in India to Europe. Being smaller, lightly equipped, and largely manned by an Indian crew, their freight was much lower than that charged on the Company's East Indiamen. High freights, the houses of agency maintained, would make it impossible for their products to compete with other sources of supply from the much shorter haul across the Atlantic.

The claims of private merchants in India for direct access to and from Britain were given added force by the fact that, if they were not permitted to send goods to London, the goods would find their way to continental European ports in the ships of European countries. This is what contemporaries called 'the clandestine trade', by which the fortunes of individual Englishmen provided the European competitors of the East India Company with their trading capital. An Englishman anxious to send money home could lend it to the agents of a European company who would use it to buy goods (often from a British house of agency), and repay the loan in Europe when the goods were sold at Lorient, Amsterdam, Ostend, Lisbon, Copenhagen, or Hamburg. British capital not only financed the East India Company's

[68] These developments are described in P. J. Marshall, 'Private European Investment in Eighteenth-century Bengal', *Bengal Past and Present*, lxxxvi, 1967.

[69] This point is stressed in Tripathi, *Trade and Finance*, p. 77.

old rivals, the Dutch and the French, but after 1783 ships from many other parts of Europe called at Indian ports, nearly all brought there by the need for the wealth of Englishmen to find a way to Europe round the bottle-neck of the Company's monopoly.[70] Competition with its re-exports from goods bought with British capital was clearly a threat which the Company was not disposed to tolerate.

Some members of the Company believed that the remedy lay in concessions which would enable private fortunes in India to be sent home in goods carried on private British ships rather than in goods carried on foreign ships. In other words, if the Company could not provide satisfactory shipping for the houses of agency, they argued that the houses of agency should be allowed to provide their own. Those who reached this conclusion, such as David Scott, an extremely influential Director who from 1786 to 1802 campaigned for the relaxation of the monopoly, were often helped to do so by the fact that they were themselves members of houses of agency. But any proposal to make significant changes in the monopoly was likely to encounter stiff resistance, with the formidable 'shipping interest'[71] well to the fore. The captains, builders and owners of East Indiamen would resist any reduction of their freights and any attempt to allow other ships round the Cape of Good Hope. The majority of shareholders seem to have been less strongly committed, willing to permit some modification of the Company's privileges, but suspicious of changes which seemed to be the thin end of the wedge leading to the eventual collapse of the Company's monopoly. The views of Charles Grant, whose opinion steadily hardened against concession,[72] were probably representative of many other proprietors, who no doubt agreed with Francis Baring when he called the houses of agency 'children rising against their parents', who must be quelled before they could 'lay the foundation of future subversion to the institution of the India Company'.[73]

British interests attacked the Company's monopoly as well as Indian ones. At first manufacturers had been more concerned with securing a reduction in the Company's imports of piece goods than with the potential market in Asia for British exports.[74] In 1791 Lord Hawkesbury, the very energetic President of the Board of Trade, drafted a circular letter to manufacturing towns asking them what goods they expected to be able to sell in the area covered by the Company's monopoly, if they were allowed to trade there on their own account.[75] Noth-

[70] The clandestine trade is described in detail in Furber, *John Company at Work*.

[71] See above, p. 81.

[72] Embree, *Charles Grant*, pp. 158–77.

[73] Speech of 25 November 1801, *Parl. Hist.* xxxvi. 299.

[74] See above, pp. 85–6.

[75] Harlow, *Second British Empire*, ii. 512–15.

ing came of Hawkesbury's initiative; but when the Company's charter was being renewed in 1793, Liverpool, Manchester and Glasgow all petitioned for the trade to be opened, the Liverpool petition claiming that this would increase exports 'twenty-fold and upwards'.[76]

Whether the Company was forced to modify its monopoly or not ultimately depended on the government of the day, and in the years after 1784 on Dundas. A completely open trade was something that Dundas did not seriously contemplate. After some doubts,[77] he had decided to preserve the Company as the means by which India was governed, and he had been told by the Governor General, Lord Cornwallis, that a complete separation of government and trade would be impossible: free competition for piece goods would ruin their quality, and an influx of European immigrants to trade on their own behalf would make India ungovernable.[78] Dundas still expected that the Indian revenues would show a substantial surplus, and he regarded the Company's trade as the 'most safe vehicle' of remittance.[79] But if the monopoly was to survive, Dundas intended to make adjustments to it. Without damaging the main 'remittance' trade of the Company, he was anxious to encourage the import of Indian raw materials and the export of British manufactured goods. Above all, he was seriously concerned at the volume of 'clandestine trade'. He did not wish to eliminate foreign trade with India altogether, but he hoped that it could be greatly reduced, so that Britain would become what he called the 'emporium' for re-exporting Asian goods to the whole world. It was therefore of the utmost importance to restrict the financing of foreign competitors by British funds. Ways must be found by which cargoes could be sent from India to Britain at cheap rates, so that the fortunes of individuals in India would not be driven into foreign hands. For the changes he proposed, Dundas coined the phrase 'regulated monopoly', by which he meant a monopoly with modifications imposed on it in the interests of Britain as a whole (Doc. 38).

Dundas's efforts to regulate the Company's monopoly began at the renewal of the charter in 1793 and were to continue until he left office in 1801. The main reform in the 1793 Act was a compromise which tried to provide cheap freight for private cargoes to and from India, while preserving the monopoly by insisting that they be carried on the Company's ships (Doc. 39). The Company was to provide space for up to 3,000 tons of private cargo on both outward and homeward East Indiamen at a specially cheap rate. At the same time Dundas gave

[76] J. Bruce, *Report on the Negociation between the Honorable East India Company and the Public . . .*, 1811, pp. 27–36, Appendix, p. iii.

[77] See above, pp. 43–4.

[78] Letter of 4 April 1790, IOR, Charters, xiA, 54–9.

[79] *Parl. Hist.* xxx. 675.

his support to those groups in the Company who were trying to make all its shipping more competitive by bringing about a general reduction in freight charges. This inevitably led to a head-on collision with the shipping interest, who in 1796 were forced to accept a partial defeat. The closed ring of owners dictating freight rates to the Company was broken and open competition substituted for the existing owners' right to have a ship permanently employed by the Company.[80]

Neither the slight reduction in the Company's freight charges brought about by more open competition,[81] nor the special provisions for cheap freight included in the 1793 Act satisfied the houses of agency. As a result, the 'clandestine trade' continued to flourish when it was not interrupted by war. Maintaining that the Company's shipping was still too expensive and that the sailing times of the East Indiamen took no account of their needs, private British merchants in India went on lending their money to foreign traders or sending home their goods on foreign ships, which now included many American vessels. Dundas therefore decided that the Company must make new concessions. In 1800 he suggested that Indian-built ships (some of which had already received permission to come to Britain) should be allowed to compete regularly with the East Indiamen.[82] To a majority of shareholders this seemed to be a direct attack on the very existence of the Company as a commercial body, and they refused to accept Dundas's suggestion. With great skill and tenacity the Company resisted all pressure brought to bear against it, and as the Addington administration was unwilling to risk bringing the issue before Parliament, the Company won what was perhaps its most notable victory since 1784.[83] The most that the Company was prepared to concede was an increased quantity of cheap tonnage on ships which it still owned and controlled. Although a large volume of private trade was handled by the Company's ships, the agency houses continued to complain about high freight and undependable sailings.[84] To the Company's critics it seemed that while its own Indian trade was dying, it was still willing to use its monopoly to prevent others from developing more profitable lines.

In the 1790s the Company's most dangerous antagonists had been the private British merchants in India and their London connexions. Within a few years, however, the initiative was to pass to the manufacturing towns and the outports, many of the Indian merchants even-

[80] The reforms are described in Parkinson, *Trade in Eastern Seas*, pp. 183–5, and Philips, *East India Company*, pp. 86–7.

[81] *PP.* 1812, vi. 24–5.

[82] *PP.* 1801, vii. 93–100.

[83] The struggle is described in Tripathi, *Trade and Finance*, pp. 62–85; Philips, *East India Company*, pp. 108–17.

[84] *PP.* 1812, vi. 28–30; Tripathi, pp. 107–8.

tually swinging round to defend the Company. Spurred on by the loss of markets through war in Europe and North America and by the knowledge that the Company's charter must be renewed not later than 1814, British manufacturers and merchants in 1812 began a campaign against the Company's monopoly on a much more massive scale than anything they had attempted in 1793. Delegates were sent to London to lobby ministers, petitions were showered on Parliament (Doc. 41), and innumerable newspaper articles and pamphlets were commissioned. The chief charge against the Company was its failure to export more. British manufacturers refused to believe that any market in the world could withstand their goods. The Company was repeatedly accused of insufficient enterprise in disposing of cargoes from Europe. Its Directors and servants were said to lack commercial expertise and that edge of salesmanship which came from having a personal stake in the success of the venture. Estimates of the probable success of an open trade varied from that of the exultant merchants of Sheffield, who saw 'new and abundant markets' waiting in the East,[85] to that of the more cautious General Deputation, who envisaged that 'the capital and activity of private adventure' would raise sales 'by a slow but steady pace to a degree of magnitude which it would at present be presumptious to calculate'.[86] Greatly increased imports of raw materials and reduced prices of Asian goods for British consumers were also promised as an additional bonus from free trade.

The Company's financial difficulties and the disappointing results of its Indian trade left it in a weak position to resist. Its defence ran along predictable lines (Doc. 43). The possibility that exports might be increased to any sizable extent beyond the level already attained by the Company was denied and ridiculed (Doc. 44). While the benefits of an open trade were dubious and hypothetical, the Company insisted that its dangers were real and obvious. The interdependence of trade and government (the principal argument which Dundas had used for maintaining the monopoly in 1793) was again asserted. Free trade would inevitably lead to 'colonization', that is to large-scale settlement of Europeans in India, something which had already begun to take place, but which the Company always regarded as highly undesirable (Doc. 40). Colonists would claim political rights for themselves, and would oppress Indians and drive them to revolt. Finally, if the Company's own trade was to cease it was assumed that disaster would follow for many Indians, who would lose their employment and be subjected to ruthless competition from Britain. To arguments about the benefits which free trade would bestow on India (Doc. 42), an MP retorted that those who posed as the friends of Indians and the enemies

[85] *Journals of the House of Commons*, lxvii. 336.
[86] IOR, Charters, xvi. 802.

of exploitation by the Company really intended 'to crush all Indian manufacture'.[87]

General arguments were, however, of little avail. Ministers had decided to preserve the Company as the rulers of India because of the practical difficulties of devising any other solution, but they were also determined to make large inroads into the Company's monopoly. The government's first proposal was that the export trade should be open to all British ships while imports from India should be limited to the port of London. The delegates from the outports and the manufacturing towns refused to accept this and persuaded ministers to promise complete freedom for imports as well as exports. This was too much for the Company. With the support of the City of London,[88] they argued that if Indian goods were to be sold freely in every part of Britain it would be quite impossible for them to carry on as a commercial body.[89] At the height of the battle the government openly threatened to find other means of ruling India, but the Company eventually surrendered. The Charter Act of 1813 allowed British ships to carry goods freely to and from India (Doc. 45). Only the monopoly of the China trade was saved. Although there were many petitions for an open trade to China, the success of the Company had been undeniable, and relations with the authorities at Canton were thought to be too delicate to trust to individual merchants.

The abolition of the Indian monopoly in 1813 seems merely to have confirmed and accelerated changes in the East India trade which had been apparent for several years. Since 1765 the Company's trade had been primarily regarded as a vehicle for remitting to Europe the surplus revenue of India in commodities like cotton piece goods. By 1813 there was little surplus revenue and the market for piece goods was drying up. Commercial opinion in Britain was increasingly looking on Asia as a source of raw materials and an outlet for manufactured goods. Although the Company had sold British manufactures and imported Asian raw materials with some success, private merchants claimed that they could do better. Events showed that they were right. Exports to Asia rose from 6 per cent of the British total in 1803–5 to 9 per cent in 1816–20, 12 per cent 1832–6, and 16 per cent in 1838–42;[90] over the same period the composition of imports from India swung overwhelmingly to primary products.[91]

[87] This was said by George Tierney, *Parlt. Debates*, xxvi. 525.

[88] *Journals of the House of Commons*, lxviii. 145.

[89] *PP.* 1812–13, viii. 223.

[90] A. G. Imlah, *Economic Elements in the Pax Britannica*, Cambridge, Mass., 1958, p. 129.

[91] K. N. Chaudhuri, 'India's Foreign Trade and the Cessation of the East India Company's Trading Activities', *Economic History Review*, 2nd series, xix, 1966, pp. 347–9.

4

Conclusion

By 1813 after more than fifty years of piecemeal experiment and improvization solutions (some of them to last for a hundred years or more) had been found to many of the problems thrust upon Britain by vast conquests suddenly made in India. The impact of the new conquests on a delicately balanced political system had been largely neutralized. Those who had feared that Indian patronage would tip the scales in favour of the Crown or in favour of the politicians had for the most part been reassured by the survival of the East India Company, a nominally non-political body, as the distributor of patronage. State supervision of the Company's rule in India could thus be exerted without the dire consequences to the constitution which had been so frequently prophesied. By 1813 the machinery of state supervision by regular parliamentary discussion and the examination and amendment of dispatches by the Board of Control was firmly established. The practical effectiveness of state supervision was of course a different matter. As was so often to be the case in the years ahead, Indian debates were already coming to be regarded as occasions on which self-confessed experts bandied jargon and statistics before a bored and thinly-attended House. The Presidency of the Board of Control was usually considered to be a second-rate office, often attracting second-rate politicians whose knowledge and application rarely matched those of Henry Dundas, although the deficiencies of the Presidents were to some extent to be remedied by a number of very able permanent officials.

Even when the machinery was working at its best, it was still difficult for it to do more than to ratify decisions already taken in India or to protest ineffectually against them. Policy was devised in India: whether a course of action was adopted depended not so much on the perspicacity of the authorities at home in judging its merits as on the influence in London which its exponents could command.[1] Effective

[1] See the interesting discussion of the way in which the *raiyatwari* settlement came to be adopted in Beaglehole, *Thomas Munro*, pp. 94–5, 101.

intervention from home was largely limited to laying down the standards to be observed in the government of India. Here real success was achieved. As far as Britain's own interests permitted, the Company were compelled to promote what Europeans judged to be the welfare of the inhabitants of their provinces, and reforms were imposed which created an administrative service of high ability and conspicuous integrity.

From the middle of the eighteenth century the character of the East India Company changed out of all recognition. Although it continued to enjoy a monopoly of trade with Asia, it became a predominantly political and military organization. The success of its armies and administrators was almost universally acknowledged by 1813; but its trade with India was languishing while other forms of British economic activity in the East were beginning to forge ahead. With the protection and security provided by the Company's soldiers and officials private British enterprise had sunk roots in India; much of the trade of the Indian Ocean and the production of many of the commodities exported to Europe were already in private British hands. The willingness of an overwhelming number of British merchants and manufacturers to believe that a free trade with Asia would provide them with a solution to their immediate difficulties in 1812 and 1813 finally ensured that the Company's monopoly would not survive. The East India Company was to continue as a trading body for some years, but its chief function was now to maintain conditions under which trade could be carried on by others. The profits of empire would reach Britain not through a single channel but through a vast network of business houses with their agents and correspondents scattered throughout Europe and Asia.

The solutions to Indian problems evolved between 1757 and 1813 were not necessarily the best that could have been devised in the circumstances; to pass judgment on them is, however, to pass judgment on nineteenth-century British India, which is not one of the purposes of this book. The manner in which the solutions were reached shows something of the best and something of the worst of eighteenth-century Britain. The prospect of quickly-acquired fortunes in India produced squalid confusion for a time in the Company and even affected some men in national politics. But ignorance, indifference and inertia were probably more serious obstacles to an effective response to Indian problems than avarice. India never dominated public attention or the attention of more than a few public men. It was rare for an individual to show more than a prejudiced and superficial knowledge of Indian issues. On the other hand, the overall impression left by accounts of debates, discussion in the press, and private letters is of an increasing awareness both of the importance of events in India and of the extent

of Britain's responsibilities. To deny that concern for India was first and foremost concern for a national asset would be totally to distort contemporary views of the purpose of empires. British rule in India existed for Britain's advantage. But most men also felt a genuine benevolence towards the people of India and were not being consciously hypocritical when they insisted that the connexion between Britain and India must be a beneficial one for India as well as for Britain.

DOCUMENTS

The Petition of the City of London against Lord North's Regulating Act, 28 May, 1773

FROM *Journals of the House of Commons,* xxxiv. 343.

The House being informed that one of the Sheriffs of the City of London, attended at the door; he was called in; and, at the Bar, presented to the House,

A petition of the Lord Mayor, Aldermen, and Commons, of the City of London, in Common Council assembled.

And then he withdrew.

And the said petition was read: Taking notice of the Bill for establishing certain regulations, for the better management of the affairs of the East India Company, as well in India as in Europe; and setting forth, that the petitioners are of opinion, that the said Bill is a direct and dangerous attack on the liberties of the people, and will, if passed into a law, prove of the most fatal consequences to the security of property in general, and particularly the franchises of every corporate body in this kingdom; and that the petitioners are the more alarmed by these proceedings, as the privileges the City of London enjoy stand on the same security as those of the East India Company; and that the Bill has been brought into the House with a degree of secrecy incompatible with the principles of the constitution in matters of such public concern: and therefore praying the House, that the said Bill may not pass into a law.

Laurence Sulivan's Instructions to his son on going to India, *circa* 6 April, 1778

FROM Bodleian Library, MS. Eng. Hist. c 269, pp. 23–5. Laurence Sulivan is describing the misfortunes which had befallen him at the 1769 Company election. He had been part of a syndicate which had borrowed a large quantity of India stock at an inflated price in order to create extra votes with it. A sharp drop in the price of the stock due to bad news from India had left the syndicate with heavy obligations which they were unable to meet. Sulivan is writing some ten years after the event for the benefit of his son Stephen, who is about to sail for India in an effort to restore the family fortunes. Sulivan hoped that his tale of woe would produce a sympathetic response from Muhammad Ali, Nawab of the Carnatic. He was to be disappointed.

When the Nabob is made master of all your points you will then enter upon the most delicate ground, he must be trusted because there is a necessity for it, and as I love truth state to him without disguise.

That in the year 1768 in attempting to recover my power with the Company and return my late dear friend Vansittart to the government of Bengall,[1] I associated with several persons in the purchase of 100,000£ capital stock at the high price of 268 amounting to 268,000£, that as this stock was bought for time in Holland, the Hopes[2] insisted that Laurence Sulivan and Henry Vansittart should be the securitys, who accordingly gave their bond; that the vast fall of India stock before it was convenient to sell, brought many of the associates to instant ruin, among these Colonel Macleane who for himself and others owes

[1] Henry Vansittart, who had already been Governor of Bengal from 1760 to 1764.

[2] Hope and Son, the Amsterdam bankers.

a considerable sum[1] and William Burke now at Madras, another, indebted with interest about 6,000£,[2] and this misfortune closed with a loss to Sulivan and Vansittart (who were bound to pay the whole) of 80,000£ each a moiety.

The only advantages derived from the use of this stock was the appointment of the Supervisors,[3] and placing Mr Vansittart the head with a large sallary (by which his family has benefited) but Providence was pleased to stop his journey and to put an end to our views and prospects; in this misfortune the Nabob had his share for I can faithfully and most solemnly assure him that I made his interest one of our capital points and Mr Vansittart stood pledged to me (along with his own inclination) to put the Nabob's affairs in the happiest situation and to redress his every greivance, if a doubt should remain of the sincerity of these solemn assertions let him trace the several paragraphs wrote by the Company in his favour at that period (all drawn up by me) and they cannot fail of conviction; and he knows too that all in me proceeded from principle having never asked a favour in my life.

My particular lot was accumulated affliction, in discharge of debts obliged to mortgage my estate; forced to retire from Parliament, and an independant change[d] to a gloomy humiliating situation; nor has my unhappiness ended ⟨there⟩, but my son was involved and ruined by my misfortunes, for having purchased him a reputable post in Ireland of 1,200 to 1,400£ a year my distresses brought him to sell this office and give me back the money, to support his father he left himself destitute; and having always lived in a liberal manner (as he had a right) his own particular situation forces him to India, notwithstanding the under secretary of state is promised him but he cannot wait for it.

Such is the tale I wish you to give the Nabob in all its parts, that of under secretary of state by no means hide, it keeps up your dignity and which (without pride) I wish you to preserve as the son of a man whose name once stood high in India, and is not yet totally forgot.

I have been trained to mortifications and disappointments, but if you do not experience from the Nabob a princely generosity I shall indeed be hurt.

[1] Lauchlin Macleane, an adventurer on a huge scale, whose total losses in East India speculations at this time may have amounted to as much as £90,000 (Sutherland, *East India Company*, p. 192; Maclean, *Reward is Secondary*, p. 503).

[2] William Burke, Edmund's 'kinsman', who had also lost heavily in other transactions in India stock (Sutherland and Woods, 'The East India Speculations of William Burke', *Proceedings of Leeds Philosophical and Literary Society*, xi, pt. vii, pp. 183–216).

[3] Vansittart had been one of three commissioners appointed in 1769 to reform the Company's Indian administration. The ship on which the Supervisors sailed was lost with all hands.

The modes are next to be weighed, and we cannot wait long, if we could I see no difficulty; for as an honest man I conceive the intentions of the legislature and the spirit of the Act restraining presents to be these;[1] that presents are rarely made but for two purposes, either extorted from the great men in India by power or undue influence, or given as bribes to forfeit their honour and integrity, and therefore all presents are forbid, and I own the law to be wise and proper,—is our case within the reach of those objections? Certainly not. A sovereign prince possessed of great revenues has for a series of years been essentially served by an individual upon principle, and for services performed nobly returns it to the father and the son. This then is a voluntary present of gratitude from a prince in great affluence and could never come within the meaning of the Act, but both father and son requiring this relief without delay, how is this to be reconciled when the son will be in the actual service of the Company, and the gift is of that nature as in honour and conscience he may receive, yet as the Act has made no separate provision, admitted no distinction, the law will hold him to the pains and penaltys that is incurred by the bond he executes? Necessity then compells the use of evasive (still honourable) methods. I shall suggest one as it occurs to me.

The Nabob may lend you any sum at moderate interest upon bond, and when you quit the service, and return, he may either demand the whole or give it to you, for I conceive the day you resign the service, all ties cease and you are a free agent. But now I have wrote it, upon a review, I am not quite satisfied; by far the best way will be, so long as you are in the service, to turn the chanel to your father; let the Nabob's liberality extend instantly to me, and from the remittances I can discharge all incumbrancys.

[1] Section xxiii of the 1773 Regulating Act (see below, pp. 152-3).

North's Regulating Act, 1773 (Clauses relating to the organization of the Company)

FROM *An Act for establishing certain Regulations for the better Management of the East India Company, as well in India as in Europe,* 13 Geo. III, c. 63.

Whereas the several powers and authorities granted by charters to the United Company of Merchants of England trading to the East Indies have been found, by experience, not to have sufficient force and efficacy to prevent various abuses which have prevailed in the government and administration of the affairs of the said United Company, as well at home as in India, to the manifest injury of the public credit, and of the commercial interests of the said Company; and it is therefore become highly expedient that certain further regulations, better adapted to their present circumstances and condition, should be provided and established: and whereas the electing and choosing of Directors of the said United Company every year, in such manner as at present prescribed by charter, has not answered the good purposes intended thereby, but, on the contrary, by limiting the duration of their office to so short a time, evidently tends to weaken the authority of the Court of Directors, and to produce instability in the councils and measures of the said Company: may it therefore please Your Majesty that it may be enacted; and be it enacted by the King's most excellent Majesty, by and with the advice and consent of the Lords Spiritual and Temporal, and Commons, in this present Parliament assembled, and by the authority of the same, that at the next ensuing general election of Directors of the said United Company, instead of an election of twenty-four Directors to serve for the space of one year only, there shall be chosen, in such manner and order as the Directors of the said United Company for the time being shall appoint, six Directors expressly for the term of one year, and six other Directors for the term of

two years, and six other Directors for the term of three years, and the remaining six Directors for the term of four years, and not otherwise; and from thenceforth yearly and every year, and at the expiration of each and every of the said terms respectively, six new Directors, and no more, shall be chosen, from time to time, in the place of such Directors whose term shall have expired, and who are hereby declared incapable of being then rechosen; and at every subsequent election, during the continuance of the charter of the said United Company, six new Directors shall be chosen, and shall continue to be Directors for the term of four years, and no longer, to be accounted from the day on which the election of such Directors was respectively made; and in case the office and authority of any such Director shall become void by death, removal, or otherwise, another shall be chosen from time to time in his place, to serve as a Director during the remainder of such term for which the person whose office shall have become void was chosen, and no longer.

II And it is hereby further enacted, that no person or persons whatsoever, employed in any civil or military station, office or capacity whatsoever, in the East Indies, or claiming or exercising any power, authority, or jurisdiction therein, shall be capable of being appointed or chosen into the office of Director, until such person or persons shall have returned to and been resident in England for the space of two years; any law or usage to the contrary notwithstanding.

III And whereas it has been found, that the provision made by the charter of the tenth year of the reign of King William the third, under which persons possessed of five hundred pounds stock are intitled to vote in General Courts,[1] has been productive of much inconvenience in the present situation of the Company, and tends to promote the mischievous practice of making collusive transfers, which practice hath not been sufficiently prevented by the provision made by an Act of the seventh year of his present Majesty's reign, whereby the right of voting is limited to persons having been six calendar months in possession of their stock;[2] be it further enacted . . . [that after any nominal transfer of stock for voting purposes, the right of ownership shall be vested in the person to whom the transfer was made.] . . . From and after the first day of October, one thousand seven hundred and seventy-three, no member or proprietor of the said United Company shall be deemed qualified, or capable to vote, or be admitted to give any vote or votes, at any election of Directors, or at any General Court of the said United Company, in respect of any stock amounting to less than one thousand pounds, nor in respect of

[1] See below, p. 194.
[2] 7 Geo. III, c. 48.

any stock transferred to him, her, or them, after the said first day of October, one thousand seven hundred and seventy-three, until he, she, or they, shall have been possessed of such stock twelve calendar months, in his, her, or their own right, . . .

IV Provided always, and be it further enacted by the authority aforesaid, that every member or proprietor of the said United Company, who shall be possessed, for the time or term aforesaid, in his or her own right, of three thousand pounds, capital stock of the said Company, shall be intitled to give two votes at any election of Directors, or at any ballot of the said Company; and every member or proprietor who shall be possessed, for the time or term aforesaid, of six thousand pounds, in his or her own right, shall be intitled to give three votes; and every member or proprietor who shall be possessed for the time or term aforesaid, of ten thousand pounds, or more, shall be intitled to give four votes at such election or ballot. . . .

VI [An oath to be taken by all shareholders before voting.]

VII And, for the better management of the said United Company's affairs in India, be it further enacted by the authority aforesaid, that, for the government of the Presidency of Fort William in Bengal, there shall be appointed a Governor General, and four Counsellors; and that the whole civil and military government of the said Presidency, and also the ordering, management and government, of all the territorial acquisitions and revenues in the kingdoms of Bengal, Bahar, and Orissa,[1] shall, during such time as the territorial acquisitions and revenues shall remain in the possession of the said United Company, be, and are hereby vested in the said Governor General and Council of the said Presidency of Fort William in Bengal, in like manner, to all intents and purposes whatsoever, as the same now are, or at any time heretofore might have been exercised by the President and Council, or Select Committee, in the said kingdoms.

VIII And be it enacted by the authority aforesaid, that in all cases whatsoever wherein any difference of opinion shall arise upon any question proposed in any consultation, the said Governor General and Council shall be bound and concluded by the opinion and decision of the major part of those present: and if it shall happen that, by the death or removal, or by the absence, of any of the members of the said Council, such Governor General and Council shall happen to be equally divided; then, and in every such case, the said Governor General, or, in his absence, the eldest Counsellor present, shall have a casting voice, and his opinion shall be decisive and conclusive.

[1] The grant of the *diwani* of Bengal in 1765 also included the provinces of Bihar and Orissa; the major part of Orissa was in fact under Maratha control.

IX And be it further enacted by the authority aforesaid, that the said Governor General and Council, or the major part of them, shall have, and they are hereby authorised to have, power of superintending and controuling the government and management of the Presidencies of Madrass, Bombay, and Bencoolen[1] respectively, so far and in so much as that it shall not be lawful for any President and Council of Madrass, Bombay, or Bencoolen, for the time being, to make any orders for commencing hostilities, or declaring or making war, against any Indian princes or powers, or for negotiating or concluding any treaty of peace, or other treaty, with any such Indian princes or powers, without the consent and approbation of the said Governor General and Council first had and obtained, except in such cases of imminent necessity as would render it dangerous to postpone such hostilities or treaties until the orders from the Governor General and Council might arrive; and except in such cases where the said Presidents and Councils respectively shall have received special orders from the said United Company; and any President and Council of Madrass, Bombay, or Bencoolen, who shall offend in any of the cases aforesaid, shall be liable to be suspended from his or their office by the order of the said Governor General and Council; and every President and Council of Madrass, Bombay, and Bencoolen, for the time being, shall, and they are hereby respectively directed and required, to pay due obedience to such orders as they shall receive, touching the premises, from the said Governor General and Council for the time being, and constantly and diligently to transmit to the said Governor General and Council advice and intelligence of all transactions and matters whatsoever that shall come to their knowledge, relating to the government, revenues, or interest, of the said United Company; and the said Governor General and Council for the time being shall, and they are hereby directed and required to pay due obedience to all such orders as they shall receive from the Court of Directors of the said United Company, and to correspond, from time to time, and constantly and diligently transmit to the said Court an exact particular of all advices or intelligence, and of all transactions and matters whatsoever, that shall come to their knowledge, relating to the government, commerce, revenues, or interest, of the said United Company; and the Court of Directors of the said Company, or their successors, shall, and they are hereby directed and required, from time to time, before the expiration of fourteen days after the receiving any such letters or advices, to give in and deliver unto the High Treasurer, or Commissioners of his Majesty's Treasury for the time being, a true and exact copy of such parts of the said letters or advices as shall any way relate to the management of the revenues of the said Company; and in like manner to give in and de-

[1] The Company's settlement in Sumatra.

liver to one of his Majesty's principal Secretaries of State for the time being, a true and exact copy of all such parts of the said letters or advices as shall any way relate to the civil or military affairs and government of the said Company; all which copies shall be fairly written, and shall be signed by two or more of the Directors of the said Company.

X And it is hereby further enacted, that Warren Hastings Esquire shall be the first Governor General; and that Lieutenant-general John Clavering, the Honourable George Monson, Richard Barwell Esquire, and Philip Francis Esquire, shall be the four first Counsellors; and they, and each of them, shall hold and continue in his and their respective offices for and during the term of five years from the time of their arrival at Fort William in Bengal, and taken upon them the government of the said Presidency, and shall not be removeable, in the mean time, except by his Majesty, his Heirs and Successors, upon representation made by the Court of Directors of the said United Company for the time being: and in case of the avoidance of the office of such Governor General by death, resignation, or removal, his place shall, during the remainder of the term aforesaid, as often as the case shall happen, be supplied by the person of the Council who stands next in rank to such Governor General; and, in case of the death, removal, resignation, or promotion, of any of the said Council, the Directors of the said United Company are hereby impowered, for and during the remainder of the said term of five years, to nominate and appoint, by and with the consent of his Majesty, his Heirs and Successors, to be signified under his or their sign manual, a person to succeed to the office so become vacant in the said Council; and, until such appointment shall be made, all the powers and authorities vested in the Governor General and Council shall rest and continue in, and be exercised and executed by, the Governor General and Council remaining and surviving; and from and after the expiration of the said term of five years, the power of nominating and removing the succeeding Governor General and Council shall be vested in the Directors of the said United Company.

XI And be it further enacted by the authority aforesaid, that the said several provisions, relating to the said Governor General and Council, shall commence and take place from and immediately after the time that publick proclamation shall be made of the arrival of the said Governor General and Counsellors herein-before appointed, or any three of them, at Fort William in Bengal; which proclamation the said Governor General and Council are hereby required to make.

XII Provided always, that nothing in this Act shall extend, or be con-

strued to extend, to prevent, controul, or restrain the said United Company from constituting and appointing such officers, factors, or agents, as they shall think proper and necessary, by virtue or in pursuance of any powers, rights, or privileges, granted to them by any former Act or Acts of Parliament, or by any charter or charters, for managing, conducting, and transacting the trade and commerce of the said Company, at and within the said Presidency of Fort William in Bengal.

[For further clauses see Doc. 14.]

4

John Robinson's 'Considerations on East India Affairs', 1778

FROM British Museum, Add. MS. 38398, ff. 108–17. Since the passing of the Regulating Act in 1773 the government's relations with the East India Company had largely been handled by John Robinson, Secretary to the Treasury. In 1778 Robinson set down on paper his recommendations for any future settlement with the Company. For the dating of the paper, see Sutherland, *East India Company*, pp. 337–8.

As far as I am hitherto informed, my opinion is, that the government should *not* take the management of these acquisitions into their own hands, but should leave them in the hands of the Company, reforming and altering the government of the Company, so as to make it more fit than it is at present for the management of such a concern.

My reasons against taking the management of these acquisitions into the hands of government are as follows.

First—I have never yet seen any plan to my satisfaction, by which these acquisitions can be properly transferred from the Company to the government, or by which they are likely to be managed by the government in a better manner than they may be by the Company, provided the government of it be amended and made subject to the superintendance and frequent controul of the legislature.

Secondly—the change itself would be very difficult and even dangerous in the present moment when we have a rebellion in our colonies, a foreign war and many other difficulties to contend with.

Thirdly—the government of these acquisitions and the commerce carried on in them are from the nature of the people greatly connected, and the manner of remitting any part of the revenue of these acquisitions, to which the public may be intitled, is still more nearly connected with the general trade of the Company, so that, tho' I do not

absolutely say, that these objects cannot be separated, I think it more wise and more politic to keep them in some degree united.

Fourthly—I am violently against pledging the revenues and substance of this country for the security of these acquisitions, in return for any advantage by way of revenue, that may be derived from them; and yet this must be the case, if the government take the management of them into their own hands.

Fifthly—I think that the errors which must be committed in the management of such acquisitions, at so great a distance from the seat of government, had better fall upon the Directors of the Company, than fall directly upon the ministers of the King; who in the midst of the difficulties, that at present surround them, and of the calumnies, to which they are necessarily subject, can hardly now retain a sufficient degree of authority and respect for the government of this country.

For these reasons I am of opinion that it is right to leave the management of these acquisitions in the hands of the Company under certain regulations.

Whoever considers the nature of our territorial acquisitions in the East Indies, and the constitution of the several Courts of Directors and Proprietors, by which they are at present governed, will, if he is a wise man, see, and if he is an honest man, confess, that nothing can be more absurd and preposterous than the present system: the government of several Asiatic provinces at six thousand miles distance is ultimately in the hands of the Court of Proprietors; the most democratic body that ever existed; who not only make laws for the government of them, but interpose in the execution of these laws whenever they think proper: if every inferiour part of the British government is to resemble the British constitution, let us at least so alter the government of the Company, as to reduce it as near as circumstances will admit, to the model of that constitution; as it stands at present, the public, who by the acknowledgement of the Company itself are intitled to a share of its profits, has in fact no representative to take care of its interests.

My opinion therefore is that the power of the General Court should be restrained in the following manner.

First—to declare its own dividends according to the rule before laid down.

Secondly—to chuse the Directors.

Thirdly—to order prosecutions.

Fourthly—to make by-laws for the future government of the Company's concerns; but these by-laws not to be valid, before they are approved by the Court of Directors, and afterwards by the King in Council.

I consider the Court of Directors as the executive government, and I would have them continue so: but as the public are intitled to a moiety of the profits arising out of the joint concern of territory and trade,[1] I think it but just, that some body on their part should name one half of those, who are intrusted with the management of it: and I can think of no one, who can make this choice except the Crown.

My opinion therefore is, that the King should name half the Directors: this proposition may be qualified, if thought proper, tho' in my opinion the principle does not require it, by insisting that the Directors so named by the Crown should have certain qualifications in the stock; and as a further restriction, the business of buying and selling may be confined to the Directors chosen by the Company, by declaring that the Directors chosen by the Crown shall not be members of those committees, who are concerned in this part of the business.

If this last should be thought too strong a measure some other method must be thought of for controuling the absolute power which the Directors will otherwise have in the executive government of the Company. By the Act that passed in the 13th of the King they are obliged to lay before his Majesty's ministers all dispatches which they receive from any of their settlements respecting the government or revenues.[2] They may be order'd in like manner not to send any orders to their settlements until they have laid them before the King's ministers and have received their approbation of them as far as relates to the government and revenues.

The appointment of the Governor General and Councillors, of the Commanders in Chief, and of the Presidents of all their settlements, may be given intirely to the Crown; or it may be given to the Directors with the approbation of the Crown, (which is the case at present) but it should be added that if within 14 days after they are acquainted with the vaccancy, they do not nominate a person, whom the King shall approve, the nomination in such case should lapse to the Crown, and to prevent their continuing in their service improper persons, a power may be given to the Crown to order them to dismiss any of the persons before mention'd.

These last ideas are wretched expedients to supply the place of real authority in the Crown which it ought to have, but which in these times Parliament may not be disposed to give it.

[1] Under the terms of the East India Loan Act of 1773 (13 Geo. III, c. 64) all the Company's profits beyond a dividend of 8 per cent were to be used to pay off the loan by the government made in 1773. Payments of £400,000 a year by the Company to the state, agreed in 1767 (see above, p. 31), had been suspended.

[2] See above, pp. 114–15.

5

Dundas's Bill of 1783 (Clauses relating to the organization of the Company)

A Bill for the better Regulation and Government of the British Possessions in India, and for the Security and Preservation thereof. FROM *PP.* (*1731–1800*), xiii, no. 441; there is a MS. copy of the Bill in the National Archives of India, New Delhi.

Whereas the United Company of Merchants of England trading to the East Indies, under and by virtue of divers Acts of Parliament, and charters, is a body politic and corporate, and entitled to perpetual succession; and hath for a great space of time possessed and enjoyed the whole and sole trade, exclusive of all others, to and from the East Indies, and other parts in the said Acts and charters mentioned:

And whereas, during the time that the said United Company of Merchants of England trading to the East Indies have been in the possession and enjoyment of the said whole, sole, and exclusive trade to the East Indies, and parts aforesaid, the said United Company, assisted by the fleets and armies of the King's Majesty, and his Majesty's royal predecessors, hath conquered or otherwise acquired the kingdoms or provinces of Bengal, Bahar, and Orissa, and also certain countries or districts situate on the Coast of Coromandel, and also divers other countries and districts, in those parts of Asia commonly called the East Indies:

And whereas, by an Act passed in the thirteenth year of his Majesty's reign, intituled, 'An Act for establishing certain regulations for the better management of the affairs of the East India Company, as well in India as in Europe,'[1] a Governor General and four Counsellors were appointed for the government of the Presidency of Fort William in Bengal, and the whole civil and military government of the said Presidency, and also the ordering, management, and government of all the territorial acquisitions and revenues in the kingdoms of

[1] See above, p. 113.

Bengal, Bahar, and Orissa, were, during such time as the same should remain in possession of the said United Company, vested in the said Governor General and Council of the said Presidency, in like manner as the same were then, or at any time theretofore had been exercised by the President and Council, or Select Committee, in the said kingdoms; and divers provisions and regulations are therein contained, relating to the said Governor General and Council, and the ordering, management, and government of the said kingdoms, provinces, countries, and districts:

And whereas the provisions contained in the said in part recited Act of the thirteenth year of his Majesty's reign have not answered all the good purposes thereby intended; and it is therefore become expedient that the same should be altered and amended, and certain regulations provided and established, whereby such purposes may be the better effected:

Be it therefore enacted by the King's most excellent Majesty, by and with the advice and consent of the Lords Spiritual and Temporal, and Commons, in this present Parliament assembled, and by the authority of the same, that, for the better government of the Presidency of Fort William in Bengal, and of all the territorial acquisitions and revenues in the kingdoms or provinces of Bengal, Bahar, and Orissa, and all other countries and districts in India, now or hereafter to be held by or in the possession, or under the subjection, of the said United Company, there shall be appointed one Governor General, under the stile and title of Governor General and Captain General of all the British settlements in India; and the whole civil and military government of the said Presidency of Fort William in Bengal, and also the ordering, management, and government of all the said territorial acquisitions and revenues, and the superintendence and controul, as well internal as external, over the respective Governors, Presidents, and Councils of all the other Presidencies or settlements established by the said United Company, and the chief command over all other commanders, captains, officers, and soldiers, employed or to be employed by the said United Company in India, shall be, and the same are hereby vested in the said Governor General and Captain General of all the British settlements in India for the time being; subject nevertheless to such orders and instructions as he shall from time to time receive from the Court of Directors of the said United Company.

[All proceedings of the Council to be recorded and copies sent home to the Court of Directors and one of the Secretaries of State.]

And be it further enacted, that if it shall at any time happen that the said Governor General and Captain General shall propose any order,

resolution, or other act in Council, and the major part of the members, or even all the members of the said Council, shall differ in opinion from him concerning the same, and shall refuse their consent to the passing thereof . . ., [an elaborate procedure is laid down by which the Governor General may overrule his colleagues on issues 'essentially conducive to the safety of the state, the welfare of the Company, and the preservation of the territorial acquisitions in India'.]

And whereas divers inconveniences and many dangers have formerly arisen in the administration of the affairs of the said United Company in India, through the want of one superintending and controuling power thereupon, and to which the Governor, and Presidents and Councils of all the governments, Presidencies, and settlements of the said Company in India (other than and besides the said government or Presidency of Fort William in Bengal) might be dependant and subordinate: and whereas the provisions in that behalf, contained in the hereinbefore in part recited Act of the thirteenth year of his Majesty's reign, have not so fully and effectually remedied these inconveniences, or prevented the dangers as they were meant and intended to have done: be it therefore enacted and declared by the authority aforesaid, that from and after the commencement of this Act, all and singular the Governors, and Presidents and Councils of all the towns, forts, factories, Presidencies and settlements, which now are, or hereafter may be, erected or established by the said Company in India, shall be dependant upon, and subordinate to the superintending and controuling power of the said Governor General and Captain General of all the British settlements in India, in all cases whatsoever, civil and military, respecting the government and administration of their respective subordinate governments and settlements; and that it shall not be lawful for them respectively to make or issue any order for commencing hostilities or levying war against, or to negociate or conclude any treaty of peace with, any Indian prince or power (except in cases of sudden emergency, or imminent danger, when it shall appear dangerous to postpone such hostilities or treaty, and provided every treaty of peace concluded in such cases shall, if possible, contain a clause of subjecting the same to the ratification or rejection of the said Governor General and Captain General) or to negociate or conclude any treaty of amity or alliance with any Indian prince or power, unless in pursuance of express orders, or in consequence of the true intent and meaning of such written instructions, as they shall have respectively received touching the premises from the said Governor General and Captain General, by and with the advice and consent of his Council, under the seal aforesaid;[1] and they and every

[1] By an earlier clause in the Bill acts by the Governor General were to be authenticated by the use of a 'seal for India'.

of them are hereby required to yield due obedience to all such orders as they shall from time to time respectively receive from the said Governor General and Captain General, by and with the advice and consent of his Council, under the seal aforesaid, as well concerning the premises as concerning any other matter or thing respecting the internal government of their respective Presidencies or settlements, or otherwise touching the general administration and management of the affairs of the said Company; and all and singular the said Governors, and Presidents and Councils, who shall wilfully refuse to pay due obedience to such orders so as above signified, or shall offend against the prohibition herein contained, shall be liable to be suspended from the exercise of their respective offices or powers by order of the said Governor General and Captain General; and all and every of them are hereby further required, constantly and diligently, and in the earliest and most speedy manner, to transmit to the said Governor General and Captain General, true and exact copies of all resolutions, orders, and acts in Council, and other proceedings of their respective governments or Presidencies, and also advice and intelligence of all transactions and matters whatsoever, which shall come to their respective knowledge relating to the government, possessions, revenues, interest, or well-being of the said United Company, as often as a proper opportunity shall from time to time enable them.

And be it further enacted, that it shall and may be lawful to and for the King's Majesty, his Heirs and Successors, by any writing or instrument under the Royal Seal Manual of his Majesty, his Heirs or Successors, to be countersigned by one of his Majesty's principal Secretaries of State, or otherwise, at his or their royal will or pleasure, to recall or remove as well the said Governor General and Captain General, and members of Council, by this Act appointed, and all and every other Governor General and Captain General of all the British settlements in India, and members of the Council of Fort William aforesaid, to be at any time hereafter appointed by virtue of this Act, or any of them, as also all or any of the Governors and members of the Councils of the Presidencies or settlements of Fort Saint George, Bombay, and Bencoolen, or other British settlements in India, for the time being, and to vacate and make void all and every, or any appointment or appointments, as well absolute as provisional, of any person or persons to any of the offices or places aforesaid; and that all and every the powers and authorities of the respective persons so recalled or removed, or whose appointment shall be so vacated, shall cease and determine at or from such respective time or times as in such writing or writings shall be expressed and directed.

And be it further enacted, that from time to time, and so often as any of the said offices of Governor General and Captain General of all the British settlements in India, and of the members of the Council of Fort William aforesaid, shall become vacant by death or resignation, or when and so often as any writing or letters of recal or removal, shall be issued by his Majesty, his Heirs or Successors, as aforesaid, the said Court of Directors shall, and they are hereby authorized and required forthwith, and immediately after every such vacancy or recal shall have been notified to them, or within fourteen days after requisition shall be made to them by one of his Majesty's principal Secretaries of State, proceed to chuse and nominate a fit and proper person or persons, as the case may require, to succeed to, and supply the respective office or place, offices or places, so vacant, or from which any person or persons shall have been so removed or recalled as aforesaid respectively, and that within seven days next after every such choice and nomination shall be made, the same shall be signified by the Chairman or Deputy Chairman of the said Court of Directors, to his Majesty, his Heirs or Successors; and in case his Majesty, his Heirs or Successors, shall approve the said choice and nomination, then the person or persons so chosen and nominated shall be constituted and appointed to the office or place, offices or places, for which he or they shall have been so respectively nominated, and shall so continue from the time of his or their taking the same upon him or them respectively, at Fort William aforesaid, until he or they shall resign the same, or be removed or recalled therefrom respectively by his Majesty, his Heirs, or Successors, and so *toties quoties*; and in case the person or persons so chosen and nominated shall not be approved by his Majesty, his Heirs or Successors, then within seven days after his Majesty, his Heirs or Successors shall have caused to be signified to the Chairman or Deputy Chairman of the said Court of Directors, that his Majesty, his Heirs or Successors, doth not or do not approve of such person or persons, the said Court shall proceed to chuse and nominate some other person or persons to the said office or place, offices or places respectively, subject to the approbation or disallowance of his Majesty, his Heirs or Successors, in such and the same manner as is hereinbefore directed or prescribed, and so *toties quoties*, until some persons shall be chosen and nominated, who shall be approved by his Majesty, his Heirs or Successors.

And be it further enacted, that in case the Court of Directors of the said United Company shall at any time be dissatisfied with the conduct of any Governor General and Captain General of all the British settlements in India, or of any of the members of the Council of the

same Presidency, and shall be desirous of his or their, or any of their recal or removal, the said Court of Directors shall have full power and authority to represent the same to his Majesty, his Heirs or Successors, to the intent his Majesty, his Heirs or Successors, may have knowledge thereof, and may, upon due consideration and advice thereon, take such measure concerning the same, as to his Majesty, his Heirs or Successors, in his or their royal wisdom and justice shall seem most fit and expedient.

And be it further enacted and declared, that the several powers and authorities by this Act given to or vested in the said Court of Directors, shall and may, from time to time, be exercised, held, and put in execution by the Directors of the said United Company for the time being, or any thirteen of them; and shall not be subject to be rescinded, revoked, altered, varied, affected, or in any respect controuled by the Court of Proprietors, or any of the proprietors of the said United Company, any thing herein, or in any other Act of Parliament, or in any bye law, rule, or ordinance of the said United Company, to the contrary notwithstanding.

[For further clauses see Doc. 16.]

Fox's First India Bill, 1783

A Bill for Vesting the Affairs of the East India Company in the hands of certain Commissioners, for the benefit of the Proprietors and the Public.
FROM *Parl. Hist.* xxiv. 62–72.

Whereas disorders of an alarming nature and magnitude have long prevailed, and do still continue and increase, in the management of the territorial possessions, the revenues, and the commerce of this kingdom in the East Indies; by means whereof the prosperity of the natives hath been greatly diminished, and the valuable interests of this nation in the said territorial possessions, revenues, and commerce, have been materially impaired, and would probably fall into utter ruin if an immediate and fitting remedy were not provided:

Be it therefore enacted by the King's most excellent Majesty, by and with the advice and consent of the Lords Spiritual and Temporal, and the Commons, in this present Parliament assembled, and by the authority of the same, that the government and management of the territorial possessions, revenues, and commerce of the United Company of Merchants of England trading to the East Indies, by the Directors and Proprietors of the said Company, or either of them; and all and singular the powers and authorities of the said Directors and Proprietors, or of any special, or general, or other court thereof, in the ordering and managing the said possessions, revenues, and commerce; and all elections of Directors of the said United Company, be, and are hereby declared to be, discontinued, for and during the continuance of this Act; any charter, usage, law, or statute to the contrary notwithstanding.

And be it further enacted by the authority aforesaid, that for the better governing, ordering, and managing the said territorial posses-

sions, revenues, and commerce, the right hon. William Earl Fitzwilliam, the right hon. Frederick Montagu, the right hon. George Legge, commonly called Lord Viscount Lewisham, the hon. George Augustus North, Sir Gilbert Elliot, bart., Sir Henry Fletcher, bart., and Robert Gregory esq., shall be, and they are hereby constituted and appointed Directors of the said United Company, and shall be, and they are hereby constituted members of the said Company; and that the said Directors hereby appointed, or any three of them, shall have, use, possess, and exercise all and singular the powers and authorities which have been at any time heretofore vested in, or lawfully exercised by, the said Directors hereby discontinued, or Proprietors or by the General Court of Proprietors of the said United Company, and all such farther and other powers and authorities, and under such directions, and subject to such limitations and restrictions as in this Act, or in any other Act, the provisions whereof are not hereby altered or repealed, are contained, for the government and management of the said territorial possessions, revenues, and commerce of the said United Company, or in any wise relative thereto.

And be it further enacted by the authority aforesaid, that the said Directors hereby appointed shall, and they are hereby authorized and empowered, immediately from and after the commencement of this Act, to enter into and upon, and to possess themselves of all lands, tenements, houses, warehouses, and other buildings whatever, of or belonging to the said United Company; and also to take into their custody and possession all books, records, documents, charters, acts, instruments, letters, and other papers whatsoever, and also all ships and vessels, goods, wares, merchandizes, money, securities for money, and all other effects whatsoever, of or belonging to the said United Company, in trust for, and for the benefit of, the Proprietors thereof, and to have, hold, and possess the same, in like manner as they were held and possessed by the Directors hereby discontinued, subject to such charges, claims, and demands as do or may affect the same; which Directors so discontinued, and all other officers and servants of the said United Company, are hereby enjoined, immediately upon the requisition of the said Directors hereby appointed, signified under their hands and seals, or the hands and seals of any three of them, to deliver to them, or to such person or persons as they shall for that purpose appoint, all such lands, tenements, houses, warehouses, buildings, books, records, documents, charters, acts, instruments, papers, ships, vessels, goods, wares, and merchandizes, money, securities for money and all other effects whatsoever.

And for the sole purpose of ordering and managing the commerce of the said United Company, under and subject to the orders and directions of the said Directors hereby appointed, be it further enacted

by the authority aforesaid, that Thomas Cheap, esq., George Cuming, esq., Richard Hall, esq., John Harrison, esq., Joseph Sharp, esq., John Michie, esq., John Smith, esq., George Tatem, esq., and James Moffatt, esq., being Proprietors, each of them two thousand pounds capital stock in the said United Company, at least, shall be Assistant Directors for the purpose last aforesaid; and shall, from time to time, without requisition, and also as often as they shall be thereunto required, render an account of their proceedings to the said Directors hereby appointed; and in all matters and things whatsoever, shall pursue and follow such orders and directions as they shall from time to time receive from such Directors.

And be it further enacted by the authority aforesaid, that in case any vacancy or vacancies shall happen in the office of the said Directors hereby appointed, by death, resignation, removal, or otherwise, such vacancy or vacancies shall be filled by his Majesty, under his Sign Manual, within twenty days after notice of such vacancy or vacancies shall have been given to one of his Majesty's principal Secretaries of State.

[When vacancies among the Assistant Directors occur, the shareholders are to elect a successor.]

[The Directors may dismiss an Assistant Director for misconduct.]

[Nobody concerned with the Company's shipping, with providing their stores or their exports, or with buying their imports, is eligible to be a Director or Assistant Director.]

And be it further enacted by the authority aforesaid, that no person who hath been, now is, or shall hereafter be, in the service of the said United Company in India, shall be capable of being a Director, or Assistant Director, for the execution of this Act, within the space of two years from the time of his last return from India.

[The Directors to provide the shareholders with financial and commercial statements every six months.]

Similar statements together with statements on the territorial revenues of India to be laid before Parliament each session.]

And be it further enacted by the authority aforesaid, that the said Directors hereby appointed, or the major part of them, shall have full power and authority to remove, displace, suspend, appoint, confirm, or restore, all and every person or persons whatsoever, from or to any office, station, or capacity whatsoever, civil or military, in the service of the said United Company, or within the limits of the said United Company's charters, or any of them, or any way concerned in the management of their affairs within this kingdom, or in India, whether any such person or persons shall have been nominated or appointed

in and by any Act or Acts of Parliament, or however otherwise nominated or appointed; except as herein provided and established, as to the appointment and removal of such Directors themselves, and of the said Assistant Directors.

And for the more speedy and effectual punishment of offences committed in India by persons employed in the service of the said Company, be it enacted by the authority aforesaid, that whenever any charge of corruption, peculation, oppression, extortion, receipt of presents, usury, breach of orders, or other grievous offence, shall be exhibited or made before the Governor General and Council of Bengal, or the President and Council of any of the Presidencies or settlements abroad of the said United Company, and transmitted from thence to the Court of Directors hereby discontinued, or to the said Directors hereby appointed, against any of the said Governors, Presidents, or members of the Council of any of the said Presidencies or settlements of the said United Company, or others, in any office, station, or employment, civil or military, in the said United Company's service; or which shall be exhibited or made by any of the native princes dependent upon, or under the protection of the said United Company, against any such person or persons; the said Directors hereby appointed shall, within twenty days after the same shall be received, enter into an examination of such charge; and if, upon or in consequence of such examination, such Directors shall not think proper either to recal or order a prosecution against such person so charged, each and every such Director, making such examination as aforesaid into such charge, shall enter in writing, and subscribe with his name, in the journals of the said Directors, his opinion on the validity and importance of such charge, with his specific reasons, on the particular case, for not recalling the person so charged, or for not ordering a prosecution upon such charge.

[Disputes between the Governor General and the subordinate settlements or between Governors and their Councils are to be referred to the Directors who are to give their ruling within three months.]

And be it enacted by the authority aforesaid, that if at any time complaint shall be made of any breach of treaty, injury, wrong, or grievance, done or committed against any native prince in India, by any of the governments of the said United Company's settlements, or by any officer or other person, civil or military, in the service of the said United Company; or if any such breach of treaty, injury, wrong, or grievance, shall (without complaint being made thereof) appear upon any part of the correspondence relating to the said United Company's affairs; the said Directors hereby appointed shall, as speedily as may

be, inquire into such breach of treaty, injury, wrong, or grievance; . . . and the said Directors hereby appointed shall do full and complete justice to such native prince for such breach of treaty, injury, wrong, or grievance, . . .

And be it further enacted by the authority aforesaid, that the said Directors hereby appointed, and Assistant Directors, and each and every of them, during the continuance of this Act, shall be utterly incapable of taking, holding, or exercising any office, station, or employment whatsoever in the service of the said United Company; and shall also be incapable of taking, holding or exercising any other place of profit from the Crown, during pleasure.

And be it further enacted by the authority aforesaid, that it shall and may be lawful for his Majesty to remove any of the said Directors hereby appointed, or Assistant Directors, upon an address of either House of Parliament.

[The office of Director not to be incompatible with a seat in the House of Commons under the Regency Act of 1707.]

[Assistant Directors to receive a salary of £500.]

And be it further enacted by the authority aforesaid, that this Act and all the provisions herein contained, shall commence and take effect from and immediately after this Act shall have received his Majesty's royal assent, and shall continue, and be in full force for and during the space of four years.

7

Pitt's India Act, 1784 (Clauses relating to the organization of the Company and the powers of the Board of Control)

An Act for the better Regulation and Management of the Affairs of the East India Company, and of the British possessions in India . . ., 24 Geo. III, c. 25.

For the better government and security of the territorial possessions of this kingdom in the East Indies, be it enacted by the King's most excellent Majesty, by and with the advice and consent of the Lords Spiritual and Temporal, and Commons, in this present Parliament assembled, and by the authority of the same, that it shall and may be lawful to and for the King's Majesty, his Heirs and Successors, by any commission to be issued under the Great Seal of Great Britain, to nominate and appoint such persons, not exceeding six in number, as his Majesty shall think fit, being of his Majesty's most honourable Privy Council, of whom one of his Majesty's principal Secretaries of State for the time being, and the Chancellor of the Exchequer for the time being, shall be two, to be and who shall accordingly be Commissioners for the Affairs of India.

II [Three commissioners to form a Board.]

III [The Secretary of State when present and after him the Chancellor of the Exchequer to preside over the Board.][1]

IV [The president to have a casting vote.]

V And be it further enacted, that it shall and may be lawful for the King's Majesty, his Heirs and Successors, from time to time, at his and their will and pleasure, to revoke and determine the commission aforesaid, and from time to time to cause any new commission or com-

[1] The office of President of the Board of Control was formally recognized in 1793.

missions to be sealed as aforesaid, for appointing any other person or persons, being of his Majesty's most honourable Privy Council, of whom one of his Majesty's principal Secretaries of State, and the Chancellor of the Exchequer for the time being, shall always be two, to be commissioners and members of the said Board, when and so often as his Majesty, his Heirs and Successors, shall think fit, so that the number of commissioners therein to be named shall in no wise exceed the aforesaid number of six.

VI And be it further enacted, that the said Board shall be fully authorised and impowered, from time to time, to superintend, direct, and controul, all acts, operations, and concerns, which in any wise relate to the civil or military government or revenues of the British territorial possessions in the East Indies, in the manner herein-after directed.

X [An appointment to the Board of Control not to be incompatible with a seat in the House of Commons under the 1707 Regency Act.]

XI And, to the intent that the said Board may be duly informed of all transactions of the said Company, in respect to the management of their concerns in the East Indies; be it further enacted, that all the members of the said Board shall, at all convenient times, have access to all papers and muniments of the said United Company, and shall be furnished with such extracts or copies thereof, as they shall from time to time require; and that the Court of Directors of the said United Company shall, and they are hereby required and directed, to deliver to the said Board, copies of all minutes, orders, resolutions, and other proceedings, of all general and special Courts of Proprietors of the said Company, and of the said Court of Directors, so far as relate to the civil or military government or revenues of the British territorial possessions in the East Indies, within eight days after the holding of such respective courts; and also copies of all dispatches which the said Directors, or any committee of the said Directors, shall receive from any of their servants in the East Indies, immediately after the arrival thereof; and also copies of all letters, orders, and instructions whatsoever, relating to the civil or military government or revenues of the British territorial possessions in the East Indies, proposed to be sent or dispatched, by the said Court of Directors, or any committee of the said Directors, to any of the servants of the said Company in the East Indies; and that the said Court of Directors of the said United Company shall, and they are hereby required to pay due obedience to, and shall be governed and bound by, such orders and directions as they shall from time to time receive from the said Board, touching the civil or military government and revenues of the British territorial possessions in the East Indies.

XII And be it further enacted, that, within fourteen days after the receipt of such copies last-mentioned, the said Board shall return the same to the said Court of Directors, with their approbation thereof, subscribed by three of the members of the said Board, or their reasons at large for disapproving the same, together with instructions from the said Board to the said Court of Directors in respect thereto; and that the said Court of Directors shall thereupon dispatch and send the letters, orders, and instructions so approved or amended, to their servants in India, without further delay, unless, on any representation made by the said Directors to the said Board, the said Board shall direct any alterations to be made in such letters, orders, or instructions; and no letters, orders, or instructions, until after such previous communication thereof to the said Board, shall at any time be sent or dispatched by the said Court of Directors to the East Indies, on any account or pretence whatsoever.

XIII [If the Court of Directors fail to submit a dispatch 'within fourteen days after requisition made' by the Board, the Board may draft a dispatch of their own which the Directors are bound to send to India.]

XIV And be it further enacted, that in case the said Board shall send any orders or instructions to the said Court of Directors, to be by them transmitted to India, which, in the opinion of the said Court of Directors, shall relate to points not connected with the civil or military government and revenues of the said territories and possessions in India, then, and in any such case, it shall be lawful for the said Court of Directors to apply, by petition, to his Majesty in Council, touching such orders and instructions; and his Majesty in Council shall decide whether the same be, or be not, connected with the civil or military government and revenues of the said territories and possessions in India; which decision shall be final and conclusive.

XV Provided nevertheless, and be it further enacted, that if the said Board shall be of opinion that the subject matter of any of their deliberations, concerning the levying of war or making of peace, or treating or negociating with any of the native princes or states in India, shall require secrecy, it shall and may be lawful for the said Board to send secret orders and instructions to the Secret Committee of the said Court of Directors for the time being, who shall thereupon, without disclosing the same, transmit their orders and dispatches in the usual form, according to the tenor of the said orders and instructions of the said Board, to the respective governments and Presidencies in India; and that the said governments and Presidencies shall pay a faithful obedience to such orders and dispatches, and shall return their

answers to the same, sealed (under cover) with their respective seals, to the said Secret Committee, who shall forthwith communicate such answers to the said Board.

XVI And be it enacted by the authority aforesaid, that it shall and may be lawful to and for the Court of Directors of the said United Company for the time being, and they are hereby required, from time to time, to appoint a Secret Committee, to consist of any number of the said Directors for the time being, not exceeding three; which Secret Committee shall, from time to time, upon the receipt of any such secret orders and instructions concerning the levying of war or making of peace, or treating or negociating with any of the native princes or states of India, from the said Commissioners for the Affairs of India, as are herein-before mentioned, transmit to the respective governments and Presidencies in India a duplicate or duplicates of such orders and instructions, together with orders in writing, signed by them the members of the said Secret Committee, to carry the same into execution; and to all such orders and instructions, so transmitted, the several governments and Presidencies in India are hereby required to pay the same obedience as if such orders and directions had been issued and transmitted by the Court of Directors of the said United Company.

XVII Provided also, and be it further enacted and declared, by the authority aforesaid, that nothing in this Act contained shall extend to give unto the said Board the power of nominating or appointing any of the servants of the said United Company; any thing herein contained to the contrary notwithstanding.

XVIII [The Supreme Council to be reduced from five members to four.]

XIX [The Bombay and Madras Councils also to be reduced to four.]

XXI And be it further enacted, that in case the members present at any of the Boards or Councils of Fort William, Fort Saint George, or Bombay, shall at any time be equally divided in opinion in respect to any matter depending before them, then, and in every such case, the said Governor General or the Governor or President, as the case may be, shall have two voices, or the casting vote.[1]

XXII And be it further enacted, that it shall and may be lawful to

[1] In 1786 the Governor General or the Governors of the subordinate Presidencies were given power to overrule a majority on their Councils on issues 'whereby the interests of the said United Company, or the safety and tranquility of the British possessions in India' are 'essentially concerned or affected' (26 Geo. III, c. 16, sec. 7).

and for the King's Majesty, his Heirs and Successors, by any writing or instrument under his or their Sign Manual, countersigned by the said Secretary of State, or for the Court of Directors of the said United Company for the time being, by writing under their hands, to remove or recal the present or any future Governor General of Fort William at Bengal, or any of the members of the Council of Fort William aforesaid, or any of the Governors or Presidents, and members of the Councils, of the Presidencies or settlements of Fort Saint George and Bombay, or of any other British settlements in India, or any other person or persons holding any office, employment, or commission, civil or military, under the said United Company in India, for the time being; and to vacate and make void all and every or any appointment or appointments of any person or persons to any of the offices or places aforesaid; and that all and every the powers and authorities of the respective persons so removed or recalled, or whose appointment shall be so vacated, shall cease or determine at or from such respective time or times as in the said writing or writings shall be expressed and directed: provided always, that a duplicate or copy of every such writing or instrument, under his Majesty's Sign Manual, attested by the said Secretary of State for the time being, shall within eight days after the same shall be signed by his Majesty, his Heirs or Successors, be transmitted or delivered, by the said Secretary of State, unto the Chairman or Deputy Chairman, for the time being of the said United Company, to the intent that the Court of Directors of the said Company may be apprized thereof.

XXV [If the Court of Directors do not fill any vacancy created under section XXII within two months, the Crown may make the appointment.]

XXIX And be it further enacted, that no order or resolution of any General Court of the Proprietors of the said United Company shall be available to revoke or rescind, or in any respect to affect, any act, order, resolution, matter or proceeding, of the said Court of Directors, by this Act directed or authorized to be made or done by the said Court, after the same shall have been approved by the said Board, in the manner herein-before directed; any law or usage to the contrary notwithstanding.

XXXI And be it further enacted, that the Governor General and Council of Fort William aforesaid, shall have power and authority to superintend, controul, and direct the several Presidencies and governments now or hereafter to be erected or established in the East Indies by the said United Company, in all such points as relate to any trans-

action with the country powers, or to war or peace, or to the application of the revenues or forces of such Presidencies and settlements in time of war, or any such other points as shall, from time to time, be specially referred by the Court of Directors of the said Company to their superintendance and controul.

XXXII And in order to prevent the embarrassment and difficulty which may arise from any question, whether the orders or instructions of the Governor General and Council of Fort William relate to other points than those aforesaid, be it further enacted, that notwithstanding any doubt which may be entertained by the said Presidencies or settlements to whom such orders or instructions shall be given, respecting the power of the Governor General and Council to give such orders, yet the said Presidencies or settlements shall be bound to obey such orders and directions of the said Governor General and Council in all cases whatever, except only where they shall have received positive orders and instructions from the said Court of Directors, or from the Secret Committee of the said Court of Directors, repugnant to the orders and instructions of the said Governor General and Council, and not known to the said Governor General and Council at the time of dispatching their orders and instructions as aforesaid; and the said Governor General and Council shall, at the time of transmitting all such orders and instructions, transmit therewith the dates of, and the times of receiving, the last dispatches, orders and instructions which they have received from the Court of Directors, or from the Secret Committee of the said Court of Directors, or any of the points contained therein: and the said Presidencies and governments, in all cases where they have received any orders from the said Court of Directors, or from the Secret Committee of the said Court of Directors, as aforesaid, which they shall deem repugnant to the orders of the said Governor General and Council of Fort William, and which were not known to the said Governor General and Council at the time of dispatching their orders and instructions as aforesaid, shall forthwith transmit copies of the same, together with an account of all resolutions or orders made by them in consequence thereof, to the Governor General and Council of Fort William, who shall, after the receipt of the same, dispatch such further orders and instructions to the said Presidencies and settlements as they may judge necessary thereupon.

[For further clauses see Doc. 18.]

8

Lord Castlereagh to Lord Melville, 4 August, 1803

FROM IOR, Home Miscellaneous, vol. 504, pp. 39–44. Castlereagh's letter to his predecessor as President of the Board of Control, the former Henry Dundas, and Melville's answer are a clear statement of what ministers believed to be their role under the 1784 Act. The actual issue in dispute concerned the college which Wellesley founded at Calcutta for junior Company servants. The Board of Control insisted that this was a subject on which the Company must accept their directions. The Directors retorted that the college was a matter outside the powers of the Board as defined by Pitt's Act.

I have been led to trouble you the more particularly on this subject, as I can easily perceive, notwithstanding the Court has treated me with every mark of personal goodwill, that they are aiming at the extension of their authority to a degree, which appears to me wholly inconsistent with your original views, which I conceive went distinctly to this principle, that the ultimate authority in matters of Indian government (leaving the commerce and patronage in the Company) should be *in the state,* under the controul of Parliament.

Relying upon their forbearance, it was your object, as I conceive, to strengthen their hands by every appearance of authority. With this view, you left the appointment of Governors, and all their servants, in a legal sense, in them, in confidence that they would in all cases accept the recommendation of the state in the nomination of their Governors, and that they would leave the appointment of executive officers abroad to those Governors, when so appointed. They have not as yet absolutely resisted the recommendation of government in the former instance, tho' I could perceive on a late occasion a very strong disposition to think for themselves.[1] Under the latter head, several instances have lately occured which make it requisite to watch with extreme jealousy

[1] Castlereagh is presumably referring to the appointment of Lord William Bentinck as Governor of Madras in 1802 (Philips, *East India Company*, p. 121).

the disposition of the Court to assume a power, which they can never exercise directly for any other purpose than that of corruption, and to the absolute disqualification of themselves, from any useful or efficient controul over their servants abroad.

I allude to these, as points to be kept attentively in view, and tho' not directly bearing on the present question, the considerations arising out of them make it the more necessary to resist a principle, which by excluding the Board of Controul (that is, the state) from all effectual direction in matters of government, would soon encourage and prepare the Court for more extensive attempts at undue authority in the administration of affairs both at home and abroad.

If the Court should acquiesce in transmitting our dispatch,[1] the question may then be dormant for the present, but if they on the contrary should refuse to forward it, I apprehend it will be absolutely necessary to come to Parliament on the subject, in the next session.

If this should happen, there cannot as I apprehend be a reasonable objection stated to the extension of the jurisdiction of Council[2] to *all doubts as to powers*, which may arise under the Act, . . . as it was undoubtedly the avowed purpose of Parliament to give the direction in matters of government to the Board of Controul, excluding them from patronage.

It is important, as far as is possible, to preserve the integrity of the principle, which you always avowed, that the Board of Controul had nothing to do with the patronage, but we must not suffer the subtleties and refinements of this principle to extinguish the substance of what your measure aimed at, namely, the establishment of a government for India in hands responsible to Parliament.

The abdication of patronage was made on considerations altogether of a constitutional nature, and not with a view of gratifying the Court of Directors. The patronage [of] writers and cadets is that which properly belongs to them. They can exercise none other *practically* without destroying the principles of the government itself, and when this great mass of patronage is dissipated and thus rendered innocent in their hands, nothing remains which can in a constitutional sense be matter of jealousy. The rest ought to be arranged on principles consistent with the efficiency of government, and I think you will agree with me, that it is indispensible to resist the pretensions of the Court of Directors, unless we are prepared to acquiesce in a principle, which would leave the Board of Controul little more than a negative on such measures as it should please them in their wisdom to originate.

[1] About the college.

[2] i.e. to extend the powers of the Privy Council to adjudicate in disputes between the Board of Control and the Court of Directors under section xiv of Pitt's Act (see above, p. 133).

9

Lord Melville to Lord Castlereagh, 11 August, 1803

FROM *The Correspondence of David Scott,* ed. C. H. Philips, 1951, ii. 426–7. Melville is replying to Doc. 8.

Your Lordship is perfectly aware that in consequence of the affairs of India having been the cause of the fall of one and the rise of another administration, that country became the great bone of party animosity and contention for many years and in that spirit the new institution of the Board of Control became the object of unremitting watchfulness and jealousy, especially if it could be stated that the Board were attempting to exercise any irregular patronage. From different private communications from the Governors of the respective settlements in India I early conceived an opinion very unfavourable to the Company's European troops in India, in so much as to place no confidence whatever in them. An opportunity occurred of remedying this by having four King's Regiments ready to send. These Regiments had been raised in consequence (as I should conceive but I am not positive in my recollection) of the appearance of a rupture with France by our interposition in favour of the Stadtholder's authority in Holland. It is however immaterial what the cause of raising them was, but I recommended to his Majesty's servants the propriety of sending them to India, instead of disbanding them. The private grounds for my anxiety in that respect could not be explained, and in short there arose such a violent contest between the government and the East India Company as to bring the whole subject before Parliament in the shape of a Bill to ascertain the authority claimed by the Board.[1] This Bill produced a violent [im]portunity not only from our habitual opponents but from many of our own friends who were alarmed with an idea that we were

[1] For this controversy, leading to the Declaratory Act of 1788 (28 Geo. III, c. 8), see above, p. 50.

departing from our avowed principles, and aiming at that patronage which we had objected so strenuously against Mr Fox and the supporters of his Bill. We denied that we ever had encroached or ever meant to encroach on any one of the principles we had urged against Mr Fox's Bill, and if any one man of candour had a doubt on that subject, we had no aversion to and even courted any provision which could be suggested as expedient to [be] adopted for obviating the— representations which had been alleged on the subject. In consequence of this challenge and invitation several clauses were proposed (I think chiefly Sir William Pulteney)[1] and I daresay if you will look into the Act of Parliament passed upon that occasion you will find the Clauses 17th and 18th amongst the number.[2] But I am positive that neither upon that or any other occasion was there the remote intention of encroaching on the full and paramount controlling authority which is the basis of our system for the government of India, and which the reasoning of the Court of Directors in the present instance tends totally to overthrow. If the Directors had concerned themselves to possess the exclusive claims they now bring forward, there is no part of the system of Indian policy which involved any expense which would not have given rise to such disquisitions. They never allowed themselves to look further than the means of supplying a good Investment.[3] Every sixpence of expense which encroached upon that object was considered as a robbery, and I can almost venture to assert, that if the doctrine now insisted upon had been countenanced or tolerated, not one of the great improvements which (I trust) have been made in the administration of our Indian Empire for the last twenty years could have been carried into execution. A striking illustration immediately occurs to me: I mean the whole system for the administration of justice among the natives of India.[4] The whole of that system originated in India, exactly in the way the College at Calcutta has done. The Court of Directors never took the least share in it except occasionally in their private communications with me to murmur at the expense of it. I need not stop to draw your Lordship's attention to the application of what I have now stated, as it must immediately occur to you that there is not one argument urged by the Court of Directors on the

[1] Pulteney, a prominent independent MP, had refused to support the Declaratory Bill.

[2] Melville's memory seems to be at fault. These clauses, on which the Directors based their resistance to the Board of Control's intervention in the question of the Fort William College, occur in the 1793 Charter Act (33. Geo. III, c. 52) and not in the 1788 Declaratory Act.

[3] The Company's 'investment' was the goods which were purchased in India to be sent to Europe.

[4] Melville seems specifically to be referring to the judicial reforms under Lord Cornwallis.

present occasion which is not directly applicable to that whole system for the administration of justice to which our subjects in India are indebted for the great part of the happiness they now enjoy. I am surprised this precedent should not occur to Mr Charles Grant who (if I mistake not) is the chief penman of all the correspondence which has passed between the Directors and your Board.

The Court of Directors to the Board of Control, 6 November, 1805

FROM IOR, Correspondence between the Court of Directors and the Board of Commissioners for India, ii. 283–7. In this letter the Court of Directors give their interpretation of the 1784 Act. They also give a brief outline of their objections to Wellesley.

As the Board have been pleased to advert to the dispositions respecting Lord Wellesley by which the Court may have been actuated in framing the dispatch,[1] they beg leave to explain themselves on that subject. —In adopting the recommendation they received of his Lordship for the high office of Governor General, they at the same time gratified their own inclination—no approbation could be more warm or cordial than the Court bestowed upon the early measures of his administration, and they gave him such a proof of their satisfaction as no other Governor had ever received from them before the termination of his services. In the subsequent measures however, of his Lordship's administration, the Court perceived with pain, various inroads upon the constitution established for the government of British India and when they so far suppressed their feelings, as, in the hope of his effecting great promised retrenchments in the public expenditure, to desire his continuance for another year in office, instead of answering their views he embarked, unnecessarily as they think in those extensive plans of foreign policy inevitably leading to war which, whatever power of political combination they discovered, and though followed up as they have been, by very brilliant military exploits, have yet, in the opinion of the Court, been productive of many serious evils, have removed farther than ever the prospect of reducing the debt and expences of the Company, and have exchanged the secure state and

[1] This was an immensely long remonstrance against Wellesley which the Board of Control did not permit the Directors to send to India.

respected character of the British power for an uncertain supremacy, and it is to be feared, the disaffection of all the states in India. If these opinions shall be thought to result from the narrow views which some have been pleased, perhaps without sufficient proof or consideration, to ascribe to the Court, they are opinions held by very many of those persons best acquainted with the people and the affairs of India. In the course of these measures also that constitution, to the maintenance of which the Court attach the highest value, has been still further invaded; and in a word, the Government General has in Lord Wellesley's hands, become very much a government of discretion. For he appears to have absorbed in his own person the powers of the Supreme Council and of the subordinate governments, as well as to have widely departed from the principles of foreign policy, and from the subjection and obedience to the authority at home enjoined by the law. The constitution which there has been frequent occasion to mention, the Court believe to be well calculated for preserving the Indian Empire to this country, and for maintaining a due administration of its affairs. It involves also all the rights and privileges of the East India Company. Under the impression of these truths and of the solemn obligation which the Directors take upon them, it was impossible for the Court passively to acquiesce in such numerous infractions of that constitution as came successively before them. The practice of Lord Wellesley went to establish a new species of government and of power, one of the tendencies of which was to exclude the India Company from the share they retained in the administration of that empire which their exertions had acquired. And indeed he has not declined to give publickly a general approbation to sentiments unequivocally hostile to the political rights of the Company. Convinced as the Court are, that the part which the law has given to the Company in the political system of India, a part which invests them with little independent power, and no power capable of being dangerously misapplied whilst in making them the organ and channel of this country for governing India, it makes them also an important check over the administration of Indian affairs. Convinced that this department assigned to the Company is a most serviceable one for the public, the duty the Court owe to the nation as well as to their constituents, will not permit them to see in silence a course of measures which tend to break it down, and least of all can they think it becoming that the power and influence which they have themselves conferred should be thus turned against the Company. By these public motives and considerations have the Court been impelled in bringing forward their opinions upon the conduct of Lord Wellesley. They have not been governed by sentiments of indisposition to the person of the noble Lord; they have looked to the measures of the Governor General, and with the design of prevent-

ing in future what they thought amiss in the past. Under all the same circumstances it would have been their duty to act in the same way towards any other individual filling that high office. They are aware that every man placed in that arduous situation is entitled to a candid and liberal construction of his conduct, but if, where a series of measures appeared evidently hostile to the constitution and dangerous to the true interests of British India, attention to the reputation of the Governor General were to supersede a just censure of those measures, the effects would soon be fatal.

An Examination before the House of Commons, 18 December, 1772

FROM *The History, Debates, and Proceedings of both Houses of Parliament of Great Britain from the Year 1743 to the Year 1774*, ed. J. Debrett, vi. 412–13. This is one of the most sensational episodes in the parliamentary inquiries into the government of India. It attracted a great deal of attention and provoked much criticism of the Company's servants. 'Mr Sykes and the secret committee' were said by Horace Walpole, to be 'all that any body talks of at present' (*The Letters of Horace Walpole, 4th Earl of Orford*, ed. P. Toynbee, Oxford, 1903–5, viii. 220, 222).

Mr Impey[1]—Does not Mr Wilks know, from the extracts he has made, that a tax has been laid upon the natives of India, which tax would bring in considerable sums to the Company; and likewise whether these sums have been accounted for to the Company?

Mr Wilks[2]—I find, in perusing the Company's papers, that there has been a tax arbitrarily laid upon the natives, by the name of Mottut;[3] which tax it was said would bring in one million per annum to the Company, and commenced from April 1765, although the Company was kept in total ignorance of it until five years afterwards. I do not find that it has been carried to any services of the Company, but has been written off in their books to profit and loss. [Being asked by the Speaker, what he meant by profit and loss, he answered total loss; for he did not see the Company had benefited any thing thereby.]

Mr Sykes[4]—Does Mr Wilks not know of this tax being laid aside?

[1] Elijah Impey, counsel for the Company.

[2] Samuel Wilks, the Company's Examiner of Indian Correspondence.

[3] *Mathaut*, a special tax.

[4] Francis Sykes, formerly Resident at Murshidabad, the capital of the Nawabs of Bengal, now MP for Shaftesbury.

Mr Wilks—I know that the name of Mottut was given up, but the tax was equally gathered, and that in proportion to the plenty their harvest had produced; for sometimes, when they had a plentiful harvest, the tax would be laid double.

Mr Sykes—Does Mr Wilks know how this money arising from the Mottut was applied and whether it was applied to the use of individuals, or that of the Company?

Mr Wilks—Governor Sykes received annually 24,000 rupees for his table, 18,000 for his dress, and for his moonshee[1] 18,000 more, which makes in the whole 60,000 rupees[2] annually paid him.

[1] *Munshi*, a Persian secretary.

[2] A rupee was worth approximately 2s; so Sykes received about £6,000 in all.

The Nabob, a play by Samuel Foote, Act II

Foote's play, first performed on 29 June 1772, featured many popularly-held prejudices against returned Company servants. In the following extract, the Mayor of the borough of Bribe 'em has arrived at the house of Sir Matthew Mite, the Nabob, to negotiate terms for the borough's seats.

A Saloon

Enter Mayor, Touchit, Nathan, Moses, etc.

Serv: Walk in, gentlemen! his Honour will be presently here.

Touchit: Do you see, Mr Mayor? Look about you! here are noble apartments!

Mayor: Very fine, very curious, indeed! But, after all, Mr Touchit, I am not so over-fond of these Nabobs; for my part, I had rather sell myself to some body else.

Touchit: And why so, Mr Mayor?

Mayor: I don't know—they do a mortal deal of harm in the country: why, wherever any of them settles, it raises the price of provisions for thirty miles round. People rail at seasons and crops; in my opinion, it is all along with them there folks that things are so scarce.

Touchit: Why, you talk like a fool! Suppose they have mounted the beef and mutton a trifle; a'n't we obliged to them too for raising the value of boroughs? You should always set one against t'other.

Mayor: That, indeed, is nothing but fair. But how comes it about? and where do these here people get all their wealth?

Touchit: The way is plain enough; from our settlements and possessions abroad.

Mayor: Oh, may be so. I've been often minded to ask you what sort of things them there settlements are; because why, as you know, I have been never beyond sea.

Touchit: Oh, Mr Mayor, I will explain that in a moment; Why, here are a body of merchants that beg to be admitted as friends, and take possession of a small spot in a country, and carry on a beneficial commerce with the inoffensive and innocent people, to which they kindly give their consent.

Mayor: Don't you think now that is very civil of them.

Touchit: Doubtless. Upon which, Mr Mayor, we cunningly encroach and fortify by little and by little, till at length, we growing too strong for the natives, we turn them out of their lands, and take possession of their money and jewels.

Mayor: And don't you think, Mr Touchit, that is a little uncivil in us?

Touchit: Oh, nothing at all, these people are but a little better than Tartars or Turks.

Mayor: No, no, Mr Touchit; just the reverse; it is *they* have caught the Tartars in us.

Touchit: Ha, ha, ha! well said Mr Mayor. But, hush! here comes his Honour. Fall back!

Enter Sir Matthew Mite

Mite: Oh, Nathan! are you there? You have split the stock,[1] as I bid you?

Nath: I vas punctually obey your directions.

Mite: And I shall be in no danger of losing my list?[2]

Nath: Dat is safe, your Honour; we having nothing to fear.

Mite: Moses Mendoza! you will take care to qualify Peter Pratewell and Counsellor Quibble? I shall want some speakers at the next General Court.[3]

Moses: Please your Honour, I shall be careful of dat.

Mite: How is the stock?

Moses: It vas got up the end of the veek.

Mite: Then sell out till you sink it two and a half. Has my advice been followed for burning the tea?

Moses: As to dat matter, I vas not enquire dat; I believe not.

Mite: So that commodity will soon be a drug. The English are too proud to profit by the practice of others: what would become of the spice trade, if the Dutch brought their whole growth to market?

Moses: Dat is very true. Your Honour has no farder commands?

Mite: None at present, Mr Mendoza. (Exit Mendoza)

Nath: For de next settlement, would your Honour be de bull or de bear?

[1] i.e. divided up a large block of India stock into separate qualifications to create extra votes for a Company election.

[2] List of candidates for a Company election.

[3] Meeting of the shareholders.

Mite: I shall send you my orders to Jonathan's.[1] Oh Nathan! did you tell that man in Berkshire I would buy his estate?

Nath: Yes; but he say he has no mind, nor occasion to sell it; dat de estate belong to great many faders before him.

Mite: Why, the man must be mad; did you tell him I had taken a fancy to the spot when I was but a boy?

Nath: I vas tell him as much.

Mite: And that all the time I was in India, my mind was bent upon the purchase?

Nath: I vas so so.

Mite: And now I'm come home, am determined to buy it?

Nath: I make use of de very vords.

Mite: Well then! what would the booby be at?

Nath: I don't know.

Mite: Give the fellow four times the value, and bid him turn out in a month.

[1] Jonathan's Coffee House in Exchange Alley was the recognized centre for dealing in stock until the new Stock Exchange was founded in 1773.

13

William Cowper to the Reverend William Unwin, 3 January, 1784

FROM *The Letters of William Cowper,* ed. J. G. Frazer, 1912, i. 274–5. The views of the poet William Cowper on Fox's India Bills provide interesting evidence of how a sensitive and intelligent member of the public reacted to the conquest of India.

Know then that I have learnt long since, of Abbé Raynal,[1] to hate all monopolies, as injurious, howsoever managed, to the interests of commerce at large: consequently the charter in question would not at any rate be a favourite of mine. This however is of itself I confess no sufficient reason to justify the resumption of it. But such reasons I think are not wanting. A grant of that kind, it is well known, is always forfeited by the nonperformance of the conditions. And why not equally forfeited, if those conditions are exceeded, if the design of it be perverted, and its operations extended to objects which were never in the contemplation of the donor? This appears to me to be no misrepresentation of their case, whose charter is supposed to be in danger. It constitutes them a trading company, and gives them an exclusive right to traffic in the East Indies. But it does no more. It invests them with no sovereignty; it does not convey to them the royal prerogative of making war and peace, which the King cannot alienate if he would. But this prerogative they have exercised, and, forgetting the terms of their institution, have possessed themselves of an immense territory, which they have ruled with a rod of iron, to which it is impossible they should ever have a right, unless such a one as it is a disgrace to plead, —the right of conquest. The potentates of this country they dash in

[1] Raynal's *Histoire philosophique et politique des établissemens et du commerce des Européens dans les deux Indes* went through twelve editions in its English translation between 1776 and 1794 (D. D. Irvine, 'The Abbé Raynal and British Humanitarianism', *Journal of Modern History,* iii, 1931, pp. 564–77).

pieces like a potter's vessel, as often as they please, making the happiness of thirty millions of mankind a consideration subordinate to that of their own emolument, oppressing them as often as it may serve a lucrative purpose, and in no instance, that I have ever heard, consulting their interest or advantage. That government therefore is bound to interfere, and to unking these tyrants, is to me self-evident. And if having subjugated so much of this miserable world, it is therefore necessary that we must keep possession of it, it appears to me a duty so binding upon the legislature to rescue it from the hands of those usurpers, that I should think a curse, and a bitter one, must follow the neglect of it.

North's Regulating Act, 1773 (Clauses relating to the Government of India)

Source as for Doc. 3.

XIII [The Crown is to establish a 'Supreme Court of Judicature at Fort William' in Bengal and to appoint judges to it.]

XIV Provided nevertheless, and be it further enacted by the authority aforesaid, that the said new charter which his Majesty is herein-before impowered to grant, and the jurisdiction, powers, and authorities to be thereby established, shall and may extend to all British subjects who shall reside in the kingdoms, or provinces of Bengal, Bahar, and Orissa, or any of them, under the protection of the said United Company; and the same charter shall be competent and effectual: and the Supreme Court of Judicature therein, and thereby to be established, shall have full power and authority to hear and determine all complaints against any of his Majesty's subjects for any crimes, misdemeanours, or oppressions, committed or to be committed; and also to entertain, hear, and determine, any suits or actions whatsoever, against any of his Majesty's subjects in Bengal, Bahar, and Orissa, and any suit, action or complaint against any person who shall, at the time when such debt, or cause of action or complaint, shall have arisen, have been employed by, or shall then have been, directly or indirectly, in the service of the said United Company, or any of his Majesty's subjects.

XXIII And be it further enacted by the authority aforesaid, that no Governor General, or any of the Council of the said United Company's Presidency of Fort William in Bengal, or any Chief Justice, or any of the Judges of the Supreme Court of Judicature at Fort William aforesaid, shall, directly, or indirectly, by themselves, or by any other person or persons for his or their use, or on his or their behalf accept,

receive, or take, of or from any person or persons, in any manner, or on any account whatsoever, any present, gift, donation, gratuity, or reward, pecuniary or otherwise, or any promise or engagement for any present, gift, donation, gratuity, or reward; and that no Governor General, or any of the said Council, or any Chief Justice or Judge of the said Court, shall carry on, be concerned in, or have any dealing or transactions, by way of traffick or commerce of any kind whatsoever, either for his or their use or benefit, profit or advantage, or for the benefit or advantage of any other person or persons whatsoever, (the trade and commerce of the said United Company only excepted); any usage or custom to the contrary thereof in anywise notwithstanding.

XXVII And be it further enacted by the authority aforesaid, that from and after the first day of August, one thousand seven hundred and seventy-four, it shall not be lawful for any Collector, Supervisor, or any other of his Majesty's subjects, employed or concerned in the collection of the revenues, or the administration of justice, in the provinces of Bengal, Bahar, or Orissa, or their agents or servants, or any person or persons in trust for them, to buy any goods, wares, merchandise, or other commodities whatsoever, by way of traffick or trade, at any place within the provinces of Bengal, Bahar, and Orissa, and to sell the same again, or any part thereof, at the place where he or they bought the same, or at any other place within the said provinces respectively; and it shall not be lawful for any of his Majesty's subjects in the said provinces, to engage, intermeddle, or be any way concerned, directly or indirectly, in the inland trade, in salt, beetlenut, tobacco,[1] or rice, except on the account of the said United Company, on pain of forfeiting all such goods or commodities which he shall so buy and sell again, by way of traffick, or in which he shall so trade; and also treble the value thereof; one moiety to the said United Company, and the other moiety to him or them who will sue for the same, in the said Supreme Court; and every such person, on conviction, shall, moreover, be liable to be sent to England, by such order as aforesaid, unless he or they shall give sufficient security to remove him or themselves within twelve months after such conviction.

XXX [No British subject to lend money at a higher rate of interest than 12 per cent.]

XXXVI [The Governor General and Council may make 'rules, ordinances, and regulations, for the good order and civil government' of

[1] These were the commodities over which Clive had established a monopoly for the benefit of the Company's servants in 1765.

the Company's settlements with 'the consent and approbation' of the Judges of the Supreme Court.]

XXXVII [These regulations must be submitted through one of the Secretaries of State to the King, who may order that they be revoked.]

15

Resolutions on Indian Affairs passed by the House of Commons, 28 May, 1782

FROM *Journals of the House of Commons,* xxxviii. 1028–9, 1032. These resolutions, defining the principles on which the Company should conduct its relations with Indian powers, originated with the Secret Committee and were first laid before the House by Henry Dundas.

And the resolutions of the Committee were read; and are as followeth; *viz.*

Resolved, that it is the opinion of this Committee, that the orders of the Court of Directors of the East India Company, which have conveyed to their servants abroad a prohibitory condemnation of all schemes of conquest and enlargement of dominion, by prescribing certain rules and boundaries for the operation of their military force, and enjoining a strict adherence to a system of defence upon the principle of the Treaty of Illahabad,[1] were founded no less in wisdom and policy, than in justice and moderation.

Resolved, that it is the opinion of this Committee, that every transgression of those orders, without evident necessity, by any of the several British governments in India, has been highly reprehensible, and has tended in a chief degree to weaken the force and influence, and to diminish the resources, of the Company in those parts.

Resolved, that it is the opinion of this Committee, that every interference as a party in the domestic or national quarrels of the country powers, and all new engagements with them in offensive alliance, have been wisely and providently forbidden by the Company, in their commands to their administrations in India.

Resolved, that it is the opinion of this Committee, that every unnecessary or avoidable deviation from those well-advised rules, should

[1] The treaty of Allahabad concluded by Clive with the Mughal Emperor and the Nawab Wazir of Oudh in 1765.

be followed with very severe reprehension and punishment for it, as an instance of wilful disobedience of orders, and as tending to disturb and destroy that state of tranquillity and peace with all their neighbours, the preservation of which has been recommended as the first principle of policy to the British governments in India.

Resolved, that it is the opinion of this Committee, that the maintenance of an inviolable character for moderation, good faith, and scrupulous regard to treaty, ought to have been the simple grounds on which the British governments should have endeavoured to establish an influence superior to that of other Europeans over the minds of the native powers in India; and that the danger and discredit arising from the forfeiture of this pre-eminence, could not be compensated by the temporary success of any plan of violence or injustice.

Resolved, that it is the opinion of this Committee, that as any essential failure in the executive conduct of the Supreme Council or Presidencies would make them justly liable to the most serious animadversions of their superiors; so should any relaxation, without sufficient cause in these principles of good government, on the part of the Directors themselves, bring upon them, in an heavier degree, the resentment of the legislative power of their country, which alone can interpose an effectual correction to the general misrule.

Resolved, that this House doth agree with the Committee in the said resolution so amended, that, for the purpose of conveying entire conviction to the minds of the native princes, that to commence hostilities without just provocation against them, and to pursue schemes of conquest and extent of dominion, are measures repugnant to the wish, the honour, and the policy of this nation, the Parliament of Great Britain should give some signal mark of its displeasure against those, in whatever degree entrusted with the charge of the East India Company's affairs, who shall appear to have wilfully adopted or countenanced a system tending to inspire a reasonable distrust of the moderation, justice, and good faith of the British nation.

The subsequent resolution of the Committee being read a second time, was, upon the question put thereupon, agreed to by the House.

Resolved, that Warren Hastings, Esquire, Governor General of Bengal, and William Hornby, Esquire, President of the Council at Bombay, having, in sundry instances, acted in a manner repugnant to the honour and policy of this nation, and thereby brought great calamities on India, and enormous expences on the East India Company, it is the duty of the Directors of the said Company to pursue all legal and effectual means for the removal of the said Governor General and President from their respective offices, and to recall them to Great Britain.

Dundas's Bill of 1783 (Clauses relating to the Government of India)

Source as for Doc. 5.

And whereas the inhabitants of the said kingdoms or provinces of Bengal, Bahar, and Orissa, and the other countries and districts subject to the controul and government of the said United Company, being natives of India, have for many ages been governed by certain laws and customs, conformable to the nature of the climate, and the genius, religion, manners, habits, and prejudices of the country: and whereas any sudden or great alteration in the said laws and customs might be dangerous to the safety and tranquility of the state, and cause much trouble, confusion, and distress among the said inhabitants, natives of India: and whereas it is therefore the intent and meaning of this Act, to provide that the said inhabitants shall continue to be governed by their ancient laws and customs, in all cases by this Act not specially excepted: . . . and whereas certain cases may nevertheless arise, wherein . . . it may be expedient, that there should be lodged in the hands of certain persons a limited subordinate legislation . . ., [the Governor General, his Council and the Judges of the Supreme Court at Calcutta may issue 'rules, ordinances, and regulations' for 'the good order and civil government' of the Company's provinces.]

[These regulations not to be 'repugnant to the religions, laws, or customs of India'.]

[In framing regulations, the Governor General may summon the assistance of 'the Roy Royan,[1] the Superintendent of the Khalsa Records,[2] the Chief Canongoe,[3] the Chief Pundit, and the Chief Moulavie resident at Calcutta'.[4]]

[1] The chief Indian revenue official under the Company.

[2] The *Khalsa* was the Nawab's financial office which the Company had moved to Calcutta.

[3] The *qanungos* were officials who were supposed to act as a check on the revenue system of a province on behalf of the Emperor. There were two *Sadr* or chief *Qanungos* in Bengal at this time.

[4] The chief *pandit* and the chief *maulavi* were presumably intended to be the most learned expounders of the Hindu and Muslim law in Calcutta.

[All regulations are to be submitted to the Privy Council for 'their approbation and controul'.]

And whereas it would greatly tend to prevent the receiving or exacting of any gifts, sums of money, or other presents, by any person or persons concerned in the management and collection of the rents, tributes, duties, taxes, and revenues payable and belonging to the said United Company, if competent and sufficient salaries and emoluments were annexed to each and every office, station or employment respecting such management and collection; be it further enacted, that such fixed salaries and emoluments as shall be a proper encouragement to the person or persons aforesaid, to conduct himself or themselves with zeal and integrity in their respective departments, shall be ascertained, answered, and paid by the Court of Directors of the said United Company, to all and every such officer and officers as aforesaid; and, to the end and intent the said Court of Directors may be the better enabled to judge of the proper quantum to be fixed for such respective salaries and emoluments, the said Governor General and Captain General, and his Council, so far as concerns the management and collection of the said revenues within the kingdoms or provinces of Bengal, Bahar, and Orissa, and the several other Governors, Presidents, and Councils, so far as concerns the management and collection of the said revenues within their respective subordinate Presidencies and settlements, shall and they are hereby severally authorized and requested to certify unto the said Court of Directors, with all convenient speed, what salaries or emoluments will in their respective sentiments or opinions be adequate and fit to be settled, paid, and allowed unto the several and respective persons employed, or to be hereafter employed in the management and collection of the rents, tributes, duties, taxes, and other revenues within their said several and respective departments or governments, as a satisfaction for the due and punctual performance of that duty.

And whereas there are, within the said kingdoms or provinces of Bengal, Bahar, and Orissa, and within the limits called the Five Northern Circars,[1] sundry districts or divisions, the hereditary government whereof is or formerly was vested in the respective Rajah or Zemindar,[2] such Rajah or Zemindar having or enjoying the right, power, or privilege of granting Pottahs or leases of the lands within his Rajahship or Zemindary, to the ryots,[3] farmers, or occupiers

[1] The long strip of territory on the west coast of the Bay of Bengal captured by the British in 1759 and formally granted to them in 1765.

[2] The commonest term applied to those responsible to the government for the revenue of an area.

[3] A peasant or cultivator.

thereof, at and for certain fixed rents which were collected by the Rajah or Zemindar, who thereout paid a certain annual sum, under denomination of tribute and Nazur, or free gift to the supreme power; and every such Rajah or Zemindar also enjoying and exercising divers other rights, powers, jurisdictions, privileges, and authorities, in and over his Rajahship, Zemindary, or district, and over the inhabitants thereof for the redressing of wrongs, the punishment of evil doers, and the support and maintenance of civil government: and whereas during, or in consequence of the troubles which subsisted in the kingdoms, provinces, limits, and districts aforesaid, before and at the time the said United Company acquired the possession thereof, or since some of the Rajahs or Zemindars, by means of oppressive exactions, or otherwise, were violently dispossessed of or obliged to give up and surrender or relinquish their Rajahship, Zemindaries, or districts, and have been thereby reduced from a state of high rank and affluence, to poverty and distress; and the ancient rights, powers, jurisdictions, privileges, and authorities of other Rajahs or Zemindars were or have been likewise taken away, or greatly abridged and diminished, by means of which innovations, many of the lands, which heretofore produced a considerable revenue, have been deserted and left uncultivated, and others of such lands have been lessened in value; and many of the ryots or farmers of lands, by means of their rents having been raised beyond what they have been able to pay, have been driven from and compelled to quit their lands and possessions, some of them desperately associating with banditti, and others involved in extreme wretchedness or utter ruin; by reason whereof husbandry, manufactures, and commerce, have in many parts of the said kingdoms, limits, and districts, been neglected and discouraged, and have greatly declined, much dissastisfaction and distress have been occasioned, many tumults and disturbances have arisen, crimes, misdemeanors, and licentiousness, have become more frequent, and the influence of law and authority over the minds of the inhabitants, has been considerably diminished: and whereas the High Court of Parliament of Great Britain, from a due and just sense of the great wrongs and injuries, suffered and sustained in manner aforesaid, by the said Rajahs, Zemindars, and natives of India, residing within the British dominions there, are most sincerely desirous of providing every constitutional means for their more speedy and effectual redress, and of laying the most permanent and lasting foundations for promoting and securing the prosperity and happiness of all ranks and descriptions of persons resident in the said dominions, for all future times, and to protect them in all their civil and religious rights, thereby to conciliate their minds to the British government, engage their affections and confidence, and restore the said territories and

dominions to their ancient state of splendor and opulence: and it having been represented to the said High Court of Parliament, that nothing will contribute so speedily and effectually to the attainment of those desirable ends, or conduce so much to the satisfaction and tranquillity of the said natives, under proper regulations, as the restoration of the said Rajahs and Zemindars, to their Rajahships and Zemindaries, and the re-instatement, as far as justice and moderation, sound policy, and the good government of the said settlements will admit, of the several ryots and farmers to their Pottahs or leases, upon reasonable rents to be also therein fixed and made determinate: be it therefore enacted by the authority aforesaid, that the said Governor General and Captain General, and his Council, when and so often as conveniently may be, after they shall have entered upon their respective offices, shall, and they are hereby authorized, impowered, and required, to take into their most serious consideration the state of all the several Rajahs and Zemindars, as well those now in possession, as those not in possession of their respective Rajahships and Zemindaries, in the said kingdoms, provinces, and settlements of Great Britain in India, and to enquire into, determine upon, and pursue such methods for restoring the Rajahs and Zemindars, so dispossessed as aforesaid, or their respective heirs, to their respective Rajahships and Zemindaries, wherever the same may be done with propriety and justice, and for reviving, restoring, or granting, as well to them as to all or any other Rajahs and Zemindars, all such rights, powers, jurisdictions, privileges, and authorities, as shall be consistent with sound policy and justice; and also for the re-instating the said ryots, so driven from and compelled to quit their lands and possessions as aforesaid, to their respective Pottahs or leases, and for settling and ascertaining, by new surveys and valuations, Committees of Circuit, or such other ways, means, and methods, as the said Governor General and Captain General, and his Council, shall think most just and convenient, the fair, permanent, and unalterable tribute to be in future paid by each and every of the said Rajahs and Zemindars, in times of peace, and to settle the days and modes for making the payment thereof, and for ascertaining and establishing the extraordinary aids and subsidies to be by them, and every of them paid in times of war or commotion, or other emergency, and for making such extraordinary aids and subsidies, so far as the case will submit to bear, a fair, equal, and impartial proportion to the quantum of the tribute of each respective Rajah or Zemindar; and for fixing and establishing, as expediency shall require, impartial rules and regulations, whereby to ascertain, upon principles of moderation and justice, the rents to be paid, as well by the ryots, upon their said Pottahs or leases, as by the farmers or renters of lands, not having or not being entitled to such

Pottahs or leases; and for relieving the minds, redressing the wrongs, and alleviating the distresses and troubles of the said Rajahs, Zemindars, ryots, farmers, and renters, and preserving and securing the future prosperity, well-being, and peaceable government of the several settlements and districts aforesaid, as shall in the judgement and opinion of the said Governor General and Captain General, and his Council, most effectually tend to those several ends and purposes, whereby to promote the honor of the British name, the welfare of the Company, and the safety of the state, to conciliate the affections, and secure the confidence of the native inhabitants, and to diffuse general satisfaction and happiness among all ranks and descriptions of persons in the said kingdoms, provinces, and settlements.

And, to the intent the principle of pacification may be extended as soon as possible to a general restoration of tranquillity with the powers in India, on terms of the most perfect moderation, and the several governments enabled to lessen their own charges, and to relieve their friends and allies from additional expenses and oppressions incurred on account of the war, be it further enacted by the authority aforesaid, that the said Governor General and Captain General, and his Council, shall and they are hereby directed and impowered to adopt the most speedy and effectual measures for procuring and establishing a permanent and honourable peace with the native princes or powers of India, with whom the said United Company or any of their allies, are now at war,[1] on the most equitable and moderate terms: and also that the said Governor General and Captain General, and his Council, shall and are hereby directed to take every opportunity of conveying entire conviction to the minds of the several princes or powers of India, that to commence hostilities against them, without just provocation, and to pursue schemes of conquest, and extent of dominion, are measures repugnant to the wish, the honour, and the policy of this nation; and that Parliament will give signal marks of its displeasure against any person or persons, in whatever degree entrusted with the government of the British possessions in India, or with the charge of the affairs of the said United Company, who shall wilfully adopt or countenance a system tending to inspire a reasonable distrust of the moderation, justice, and good faith of the British nation.

[1] By 1783 the Company were at peace with all Indian powers except Mysore.

17

Fox's Second India Bill, 1783

A Bill for the better Government of the Territorial Possessions and Dependencies in India.
FROM *Parl. Hist.* xxiv. 72–89.

Whereas great disorders have prevailed in the government of the British territorial possessions, and dependencies thereof in India; and the laws and lawful authority of this kingdom have not been duly obeyed by divers of the servants of the United Company of Merchants trading to the East Indies:

For remedy whereof in future, be it declared and enacted, and it is hereby declared and enacted by the King's most excellent Majesty, by and with the advice and consent of the Lords Spiritual and Temporal, and Commons, in this present Parliament assembled, and by the authority of the same, that there is not, nor hath been, any privilege, authority, power, pre-eminence, or jurisdiction granted, or meant or intended to be granted, in and by an Act of the 13th year of the reign of his present Majesty, intituled, 'An Act for establishing certain regulations for the better management of the affairs of the East India Company, as well in India as in Europe',[1] or in and by any other Act or Acts whatsoever, or in or by any law or usage whatsoever, for the Governor General and Council of Bengal, or either or any of them, collectively or individually, or any other person whatsoever in the service of the said United Company, which doth or shall in any manner exempt him or them, in the exercise of any powers or authorities whatsoever, from a strict and faithful obedience to the orders and directions which have been issued to or for them from the late or any other Court of Directors, or which shall or may be issued to or for them by the Commissioners named and appointed in an Act of this session of

[1] See above, Doc. 3.

Parliament,[1] to manage and govern the affairs of the said United Company, instead of the said Court of Directors and General Court of Proprietors, or such other commissioners as shall or may be lawfully appointed for exercising the powers given them in and by the said Act.

And be it further declared and enacted, that all general or special orders of the Court of Directors of the said United Company for the regulation of the conduct of the Governor General and Council of Bengal, or of any other President and Council, or of any other person or persons, in any other station, office, employment, or capacity whatsoever, in the service of the said United Company, shall be, and are hereby declared to be, rules by which the persons herein before described shall be governed and directed, until notice shall be given by the said Commissioners, of any alteration, revocation, or repeal of them, or any of them.

And be it enacted by the authority aforesaid, that neither the Governor General and Council of Bengal, nor President and Council of any other of the said United Company's Presidencies or settlements in India, shall have power to cede to, or exchange with, any native prince or state whatsoever, any territory which was in the possession of the said United Company, or of any of its dependent princes or states, in or immediately before the year [2] nor shall make or accept any acquisition whatsoever, whereby the territory of the said United Company shall be increased or extended, without orders or directions expressly for that purpose, transmitted by the said Commissioners appointed in and by an Act of this present session of Parliament, for managing the affairs of the said United Company.

And be it enacted by the authority aforesaid, that it shall not be lawful for the said Governor General and Council of Bengal to invade, or enter with any armed force, or in any hostile or offensive manner, into the territory of any native, independent prince or state in India, except upon intelligence, the credibility and importance of which shall be allowed by a majority in Council, and so declared to be, in minutes subscribed by each member composing such majority, upon the records of the said Council, that such prince or state is about to attack and make war upon, or actually making preparations to attack and make war upon the territories of the said United Company, or of some of the princes or states dependent thereupon.

And be it further enacted by the authority aforesaid, that neither the said Governor General and Council of Bengal, or the President

[1] i.e. by Fox's first Bill.

[2] At this point and at many other places in the Bill a blank space has been left, indicating that the date from which clauses were to apply and the length of time for which they were to run had not been finally decided.

and Council of any other of the said Presidencies or settlements, shall have power to make any offensive alliance whatsoever, for the purpose of dividing or sharing any country or territory whatsoever, between or with the said United Company and any native prince or state in India, without the express orders and directions, for that purpose, of the Commissioners aforesaid.

And be it further enacted by the authority aforesaid, that the said Governor General and Council of Bengal, or any President and Council of any other of the said Presidencies or settlements, shall not make or enter into any treaty or agreement whatsoever, to hire out to any native prince or state in India, any part of the British or native troops serving in India under the orders of the said United Company; nor shall make or enter into any new treaty or agreement whatsoever, to or for the keeping up of any body of such troops in any of the countries or territories of any of the independent princes or states in India.[1]

And be it further enacted by the authority aforesaid, that from and after all monopolies, rights of pre-emption, or preferences, by any authority, or upon any pretence whatsoever, of any commodities or goods in any of the said United Company's settlements in India, shall be, and are hereby declared to be contrary to law, and void.

And be it further enacted by the authority aforesaid, that no debt or balance exceeding in consequence of any advance to be made for the making of any manufacture, or for the purchase of materials by any person making the same, or to any husbandmen or actual cultivator of land for any raw commodity, shall be recoverable in any court, or by any action or suit at law, or by any compulsory or other process or means whatsoever, after the space of from the time of making the said advances: and that it shall not be lawful to imprison in any common prison, or in any private house or outhouse, any person whatsoever, for or by reason of any such advances, within the said space of or at any time afterwards.

And whereas some of the servants of the said United Company have raised the rents paid by landholders to the said United Company, and have farmed out the lands at new rents, by means of which practices several ancient families have been dispossessed of lands long in their occupation, and have been reduced to indigence and distress: for remedy whereof, be it enacted and declared by the authority aforesaid, and it is hereby enacted and declared, that all lands and tenements within the provinces of Bengal, Bahar, and Orissa, or in any

[1] This would have made illegal the practice of signing 'subsidiary treaties' with Indian rulers, begun by Warren Hastings and to be much developed by Wellesley.

territories in which the receipt and management of the revenues is or shall be under the immediate administration of the said United Company, or their servants or agents, not in the actual occupation of the said United Company, or by them leased or farmed out, in or immediately before the year shall be deemed and taken to be the estate and inheritance of the native landholders and families who then had and held the same, unless dispossessed by judgment of some competent court, for some crime or misdemeanour, or non-payment of their rent, and shall be from henceforward enjoyed by them and their heirs and descendants, according to the custom of the country of or relating to the same, or where the same is had and held, without any molestation, interruption, or disturbance whatsoever, of or by the said United Company, their Governors, Council, ministers or servants.

Provided always, that nothing herein contained shall be construed to deprive the said United Company of the rent or tribute which shall be due or payable to them from such native landholders, their families or descendants, for or on account of any such land; or to prevent the said United Company from having or taking any means, according to the laws and usages of the said countries, for recovering and obtaining payment of such rent or tribute.

And, for quieting the minds of the said native princes, and preventing the corrupt practices which may arise from arbitrary alterations of rent or tribute; be it enacted by the authority aforesaid, that the rent, tribute, service, or payment, paid, or agreed to be paid by the said native landholders, in the provinces or territories aforesaid, to the said United Company, in or immediately before the year
shall remain and be, and be deemed and taken to be, the fixed and permanent rent, tribute, payment, or service, which shall be payable to the said United Company by the said native landholders, their families, heirs, and descendants; and that it shall not be lawful for the Governor General and Council of Bengal, or the Governor and Council of any other principal settlement, or the Chief and Council of any subordinate settlement, or any other servant or agent of the said United Company, to alter such rent, tribute, service, or payment, upon any pretence whatsoever, or to exact from or impose upon any such native landholder, his family, heirs, or descendants, any farther or greater rent, tribute, service, or payment, or any other charge than is herein provided.

And be it further enacted by the authority aforesaid, that it shall and may be lawful for the Governor General and Council of Bengal to restore, and they are hereby authorized and required to restore to every native landholder, his heirs or descendants, according to the usage of the country, who shall have been removed or dispossessed

of his land or territory, the actual possession thereof, upon the rent, tribute, service, or payment herein before provided, if such native landholder shall be willing or desirous to repossess his land or territory; subject, nevertheless, to such farm or leases thereof as shall or may have been made before the and shall be still existing; and if such native landholder shall have quitted, or been dispossessed of his land or territory, for or upon condition of receiving any pension or appointment in lieu thereof, and shall prefer such pension or appointment, the same shall, on no account, or upon no pretence, be discontinued, withheld, diminished, or taken away, but shall be regularly paid to such native landholder, his family, heirs, or descendants, according as the land or territory was held, and to the terms and stipulations made with such native landholder.

[The power to supervise the other Presidencies given to the Supreme Council in section IX of the 1773 Regulating Act (see above, p. 114) is slightly increased by extending the occasions on which its intervention is permitted to 'all negociations and cases whatsoever, which, though they shall not in themselves be the commencement, or orders for the commencement of hostilities, . . . shall be of a nature and tendency to create dissatisfaction and alarm among any of them, and consequently provoke to bring on and occasion hostilities and war, . .'.]

[No 'agent' of a 'native prince in India'[1] to sit in the House of Commons.]

[No individual who has served the Company in India to be permitted to sit in the House of Commons for an unspecified period after his return.]

[1] These provisions were clearly aimed at those Members who were said to be subsidized by the Nawab of the Carnatic.

Pitt's India Act, 1784
(Clauses relating to the Government of India)

Source as for Doc. 7.

XXXIV And whereas, to pursue schemes of conquest and extension of dominion in India, are measures repugnant to the wish, the honour, and policy of this nation; be it therefore further enacted by the authority aforesaid, that it shall not be lawful for the Governor General and Council of Fort William aforesaid, without the express command and authority of the said Court of Directors, or of the Secret Committee of the said Court of Directors,[1] in any case, except where hostilities have actually been commenced, or preparations actually made for the commencement of hostilities, against the British nation in India, or against some of the princes or states dependant thereon, or whose territories the said United Company shall be at such time engaged by any subsisting treaty to defend or guaranty either to declare war or commence hostilities, or enter into any treaty for making war, against any of the country princes or states in India, or any treaty for guarantying the possessions of any country princes or states; and that in such case it shall not be lawful for the said Governor General and Council to declare war or commence hostilities, or enter into treaty for making war, against any other prince or state than such as shall be actually committing hostilities, or making preparations as aforesaid, or to make such treaty for guarantying the possessions of any prince or state, but upon the consideration of such prince or state actually engaging to assist the Company against such hostilities commenced, or preparations made as aforesaid; and in all cases where hostilities shall be commenced, or treaty made, the said Governor General and Council shall, by the most expeditious means they can devise, communicate the same unto the said Court of Directors, to-

[1] See above, p. 134.

gether with a full state of the information and intelligence upon which they shall have commenced such hostilities, or made such treaties, and their motives and reasons for the same at large.

XXXV And be it further enacted, that it shall not be lawful for the Governors or Presidents, and Counsellors, of Fort Saint George and Bombay, or of any other subordinate settlement respectively, to make or issue any order for commencing hostilities, or levying war, or to negociate or conclude any treaty of peace, or other treaty, with any Indian prince or state (except in cases of sudden emergency or imminent danger, when it shall appear dangerous to postpone such hostilities or treaty), unless in pursuance of express orders from the said Governor General and Council of Fort William aforesaid, or from the said Court of Directors, or from the Secret Committee of the said Court of Directors; and every such treaty shall, if possible, contain a clause for subjecting the same to the ratification or rejection of the Governor General and Council of Fort William aforesaid: and the said Presidents and Counsellors of the said Presidencies and settlements of Fort Saint George and Bombay, or other subordinate settlement, are hereby required to yield due obedience to all such orders as they shall from time to time respectively receive from the said Governor General and Council of Fort William aforesaid, concerning the premises.

XXXIX And whereas complaints have prevailed, that divers Rajahs, Zemindars, Polygars,[1] Talookdars,[2] and other native landholders within the British territories in India, have been unjustly deprived of, or compelled to abandon and relinquish, their respective lands, jurisdictions, rights and privileges, or that the tributes, rents, and services required to be by them paid or performed for their respective possessions to the said United Company, are become grievous and oppressive: and whereas the principles of justice, and the honour of this country, require that such complaints should be forthwith inquired into and fully investigated, and if founded in truth effectually redressed: be it therefore enacted, that the Court of Directors of the said United Company shall, and they are hereby accordingly required, forthwith to take the said matters into their serious consideration, and to adopt, take, and pursue such methods for enquiring into the causes, foundation and truth of the said complaints, and for obtaining a full and perfect knowledge of the same, and of all circumstances relating thereto, as the said Court of Directors shall think best

[1] Chieftains in southern India.

[2] Those responsible for the revenue of a certain area, usually smaller than that of a *zamindar*.

adapted for that purpose; and thereupon, according to the circumstances of the respective cases of the said Rajahs, Zemindars, Polygars, Talookdars, and other native landholders, to give orders and instructions to the several governments and Presidencies in India, for effectually redressing, in such manner as shall be consistent with justice, and the laws and customs of the country, all injuries and wrongs which the said Rajahs, Zemindars, Polygars, Talookdars, and other native landholders, may have sustained unjustly in the manner aforesaid, and for settling and establishing, upon principles of moderation and justice, according to the laws and constitution of India, the permanent rules by which their respective tributes, rents, and services, shall be in future rendered and paid to the said United Company, by the said Rajahs, Zemindars, Polygars, Talookdars, and other native landowners.

XLII And be it further enacted, that, from and after the commencement of this Act, all promotions and advancements of the officers and servants of the said United Company in India, as well civil as military, in their respective lines or professions, under the degrees of the respective Counsellors and Commanders in Chief, shall be made according to seniority of appointment, in a regular progressive succession, unless any of the said governments and Presidencies shall, on any very urgent occasion, by a vote in Council, see cause to deviate from the said general rule hereby directed to be observed; and on every such occasion the said government or Presidency shall cause a full and perfect entry to be made upon their minutes of consultation, specifying all the circumstances of the case, and their reasons and inducements at large for making such deviation, and shall transmit the same to the said Court of Directors, by the first opportunity that shall occur, for their order and direction therein; and that all nominations and appointments to be made repugnant or contrary to the directions of this Act, whether the same shall be made by the Court of Directors of the said United Company, or by any of the said governments or Presidencies (save and except in cases of urgency as aforesaid), shall be null and void.

XLV And be it further enacted, that the demanding or receiving of any sum of money, or other valuable thing, as a gift or present, or under colour thereof, whether it be for the use of the party receiving the same, or for, or pretended to be for, the use of the said Company, or of any other person whomsoever, by any British subject holding, or exercising any office or employment under his Majesty, or the said United Company in the East Indies, shall be deemed and taken to be extortion, and shall be proceeded against and punished as such, under and by virtue of this Act; and the offender shall also forfeit to the

King's Majesty, his Heirs and Successors, the whole gift or present so received, or the full value thereof.

LII And, for the remedying of the abuses which have prevailed in the collection and receipt of the revenues of the said United Company, be it further enacted by the authority aforesaid, that every person (being a British born subject) who is or shall be appointed or authorised to collect, manage, controul, or receive the rents, duties, or revenues of and belonging, and due and payable to the said United Company, shall, before he enters upon the collection and receipt thereof, take and subscribe the following oath; which oath the Chief Justice, or one of the puisne judges of the Supreme Court of Judicature at Bengal, or the Mayor or other magistrate in any of the other Presidencies or settlements, shall, and is hereby authorised and commanded to administer; and such oath so administered, shall be recorded in the Supreme Court at Calcutta, or in one of the said provincial or mayor's courts; (that is to say,)

I A B do promise and swear, that I will, to the utmost of my endeavours, well and faithfully execute and discharge the duties of an officer of revenue, reposed in and committed to me by the United Company of Merchants of England trading to the East Indies; and that I will not demand, take, or accept, directly or indirectly, by myself, or by any other person for my use or on my behalf, of or from any Rajah, Zemindar, Talookdar, Polygar, renter, ryot, or other person, paying or liable to pay any tribute, rent, or tax, to or for the use of the said United Company, any sum of money, or other valuable thing, by way of gift, present, or otherwise, over and above, or besides and except, the actual tribute, rent, or tax, authorized to be taken by and for the use of the said United Company; and that I will justly and truly account and answer for the same to the said United Company.

So help me God.

19

Lord Clive's Defence before the House of Commons, 19 May, 1773

FROM *Parl. Hist.* xvii. 874–5.

Sir, after rendering my country the services which I think I may, without any degree of vanity, claim the merit of; and after having nearly exhausted a life full of employment for the public welfare, and for the particular and advantageous emolument of the East India Company, I little thought transactions of this kind would have agitated the minds of my countrymen in such proceedings as these, tending to deprive me not only of my property, and the fortune which I have fairly acquired, but of that which I hold more dear to me—my honour and my reputation. The House will not think me, I hope, fraught with any degree of vanity when I repeat again that I have done services to my country.

I must now beg leave to say a few words relative to the presents which I am charged with receiving unwarrantably. I must beg leave to observe to the House, that presents were allowed and received from the earliest time of the Direction. They have continued to be received uninterruptedly for the space of 150 years; and men, Sir, who have sat in the Direction themselves, have at several times received presents. This the Direction must know; but I am firmly of opinion, that in honourable cases, presents are not improper to be received; but when for dishonourable purposes, then, Sir, I hold them to be highly improper. In the early part of my life, my labours were without emolument or laurels, and I hope the House cannot think but that I ought to be rewarded for my services to my country in the latter part of it. When I was employed by the Company, their affairs abroad were in a condition much to be lamented. Misfortunes attended them in every part of their settlements, and the nabobs looked with a jealous eye upon the small privileges and possessions they then enjoyed; and,

though small, in danger every day of being wrested from them. Fear and weakness of power sought for protection from the dangers that surrounded them. In this critical situation I was called forth, and it pleased God to make me the instrument of their delivery.

Warren Hastings's Defence before the House of Commons, 1 May, 1786

FROM *Journals of the House of Commons,* xli. 671.

Under such circumstances I humbly apprehend, that since it is not, as I have said, the lot of human nature to be exempt from error, some notorious calamity, affecting the interests of which I had charge, or some well-ascertained ground of corruption, or other moral deviation from my duty, the loss of national reputation, or of substantial property, ought to have appeared, before I became the subject of a parliamentary impeachment. But what losses has the nation sustained through my mismanagement? Have provinces been dismembered from it? Have its armies been defeated in operations of my formation? or war or famine wasted the countries of my jurisdiction?—No: the reverse has been the attendant of my fortune in every stage of it; and so little ground have I afforded, from the notoriety of my character, for such an inquisition into it, that I dare affirm that I stand, even at this hour (notwithstanding the prejudices excited against me) as high in the estimation of the world, I mean not to confine the assertion to this kingdom alone, as any man of my own rank and pretensions in it.

Yet I mean not to avail myself of this plea. I assert my general claim to the approbation of this Honourable House, and of my country, for my services; but I neither desire, nor will admit, of their being placed in balance against my faults, if I have faults to stand in opposition to them.

I entreat the House, that each Article of the charge may be distinctly tried, and that they will be pleased to give their sentence upon each.

Edmund Burke, 'Speech on Mr Fox's East India Bill', 1 December, 1783

FROM *The Works of the Right Honourable Edmund Burke,* Bohn's British Classics, ii. 177–8.

I therefore freely admit to the East-India Company their claim to exclude their fellow-subjects from the commerce of half the globe. I admit their claim to administer an annual territorial revenue of seven millions sterling; to command an army of sixty thousand men; and to dispose (under the control of a sovereign, imperial discretion, and with the due observance of the natural and local law) of the lives and fortunes of thirty millions of their fellow-creatures. All this they possess by charter, and by Acts of Parliament, (in my opinion), without a shadow of controversy.

Those who carry the rights and claims of the Company the furthest, do not contend for more than this; and all this I freely grant. But granting all this, they must grant to me in my turn, that all political power which is set over men, and that all privilege claimed or exercised in exclusion of them, being wholly artificial, and for so much a derogation from the natural equality of mankind at large, ought to be some way or other exercised ultimately for their benefit.

If this is true with regard to every species of political dominion, and every description of commercial privilege, none of which can be original, self-derived rights, or grants for the mere private benefit of the holders, then such rights, or privileges, or whatever else you choose to call them, are all in the strictest sense a *trust;* and it is of the very essence of every trust to be rendered *accountable;* and even totally to *cease,* when it substantially varies from the purposes for which alone it could have lawful existence.

This I conceive, Sir, to be true of trusts of power vested in the highest hands, and of such as seem to hold of no human creature. But

about the application of this principle to subordinate, *derivative* trusts, I do not see how a controversy can be maintained. To whom then would I make the East-India Company accountable? Why, to Parliament, to be sure; to Parliament, from which their trust was derived; to Parliament, which alone is capable of comprehending the magnitude of its object, and its abuse; and alone capable of an effectual legislative remedy.

Edmund Burke's Speech at the Trial of Warren Hastings, 28 May, 1794

FROM *Speeches of the Managers and Counsel in the Trial of Warren Hastings*, ed. E. A. Bond, 1859–61, iv. 377–8.

I wish to reinstate the people in their rights and privileges. I wish to reinstate them in your sympathy. I wish you to respect a people as respectable as yourselves, who know, as well as you, what is rank, what is law, what is property; who know how to feel disgrace, who know what equity, what reason, what proportion in punishments, what security of property is, just as well as any of your Lordships; which they have secured by laws of all their religions, by declarations of all their sovereigns. And what is opposed to it? the practice of usurpers, which Mr Hastings takes to be his rule and guide. He endeavours to find deviations from it, and then he says by his Counsel, that I have asserted that there is no such thing as arbitrary power in the East! Good God! if I had not known that there was such a thing in the world, Mr Hastings' conduct might have taught me what was arbitrary power, and all its mischiefs.

But I know that there has been arbitrary power; that tyrants have usurped it; and that in some instances the best princes have violated the liberties of the people; and that they have produced rebellions against them often, and by the law have been intitled to be deposed for such deviations. I do not deny that there are robberies on Hounslow Heath; that there are forgeries, conspiracies and rebellions. But I say, that they are against law, against right, and whoever commits them commits illegal acts; and, when a man is to defend himself, that it is not upon the standard of a violation of law that he is to defend himself, but upon the law itself. A man may as well say, 'I robbed upon Hounslow Health: hundreds robbed upon Hounslow Heath before me'. To which I answer, the law has prohibited you from robbing there.

I will hang you if you rob there, notwithstanding all that line of precedents of the violation of law you have mentioned. No doubt, princes have violated the law of this country; they have suffered for it: nobles have violated the law; their privilege has been taken away: common people have violated the law; they have been hanged for it. I know no people secured from the law. The law is the security of every person that governs, the security of every person that is governed. It is the security of the people of India; it is the security of the people of England. There is but one law in the world, namely, that law which governs all law—the law of our Creator, the law of humanity, justice, equity, the law of nature and of nations. So far as any laws fortify these, give them more precision, more energy, more effect, by their declarations, these laws enter into the sacredness of the primeval laws; they have them for their sanction. But any man who quotes as precedents the abuses of tyrants and robbers, endeavours to violate the very fountain of justice, and to put an end to law—to remove that only guard which is upon evil men, whether governors or governed, which makes tyrants of the governors and rebels of the people governed. Therefore I hope your Lordships will not think, that, in opening this business, I have done wrong in establishing the people's rights, and in establishing the line we have laid down for the responsibility of Indian governors. Therefore, when he comes to justify himself upon these principles of arbitrary power, we reject them, and hope your Lordships will reject them.

Adam Smith on the East India Company

FROM *The Wealth of Nations*, Chapter vii, part iii. Smith is pointing out the consequences which he believed must follow if a trading company is entrusted with political power.

In almost all countries the revenue of the sovereign is drawn from that of the people. The greater the revenue of the people, therefore, the greater the annual produce of their land and labour, the more they can afford to the sovereign. It is his interest, therefore, to increase as much as possible that annual produce. But if this is the interest of every sovereign, it is peculiarly so of one whose revenue, like that of the sovereign of Bengal, arises chiefly from a land-rent. That rent must necessarily be in proportion to the quantity and value of the produce, and both the one and the other must depend upon the extent of the market. The quantity will always be suited with more or less exactness to the consumption of those who can afford to pay for it, and the price which they will pay will always be in proportion to the eagerness of their competition. It is in the interest of such a sovereign, therefore, to open the most extensive market for the produce of his country, to allow the most perfect freedom of commerce, in order to increase as much as possible the number and the competition of buyers; and upon this account to abolish, not only all monopolies, but all restraints upon the transportation of the home produce from one part of the country to another, upon its exportation to foreign countries, or upon the importation of goods of any kind for which it can be exchanged. He is in this manner most likely to increase both the quantity and value of that produce, and consequently of his own share of it, or of his own revenue.

But a company of merchants are, it seems, incapable of considering themselves as sovereigns, even after they have become such. Trade, or buying in order to sell again, they still consider as their principal

business, and by a strange absurdity, regard the character of the sovereign as but an appendix to that of the merchant, as something which ought to be made subservient to it, or by means of which they may be enabled to buy cheaper in India, and thereby to sell with a better profit in Europe. They endeavour for this purpose to keep out as much as possible all competitors from the market of the countries which are subject to their government, and consequently to reduce, at least, some part of the surplus produce of those countries to what is barely sufficient for supplying their own demand, or to what they can expect to sell in Europe with such a profit as they may think reasonable. Their mercantile habits draw them in this manner, almost necessarily, though perhaps insensibly, to prefer upon all ordinary occasions the little and transitory profit of the monopolist to the great and permanent revenue of the sovereign, and would gradually lead them to treat the countries subject to their government nearly as the Dutch treat the Moluccas. It is the interest of the East India Company considered as sovereigns, that the European goods which are carried to their Indian dominions, should be sold there as cheap as possible; and that the Indian goods which are brought from thence should bring there as good a price, or should be sold there as dear as possible. But the reverse of this is their interest as merchants. As sovereigns, their interest is exactly the same with that of the country which they govern. As merchants, their interest is directly opposite to that interest.

But if the genius of such a government, even as to what concerns its direction in Europe, is in this manner essentially and perhaps incurably faulty, that of its administration in India is still more so. That administration is necessarily composed of a council of merchants, a profession no doubt extremely respectable, but which in no country in the world carries along with it that sort of authority which naturally over-awes the people, and without force commands their willing obedience. Such a council can command obedience only by the military force with which they are accompanied, and their government is therefore necessarily military and despotical. Their proper business, however, is that of merchants. It is to sell, upon their masters' account, the European goods consigned to them, and to buy in return Indian goods for the European market. It is to sell the one as dear and to buy the other as cheap as possible, and consequently to exclude as much as possible all rivals from the particular market where they keep their shop. The genius of the administration, therefore, so far as concerns the trade of the Company, is the same as that of the direction. It tends to make government subservient to the interest of monopoly, and consequently to stunt the natural growth of some parts at least of the surplus produce of the country to what is barely sufficient for answering the demand of the Company.

Thomas Pownall on the Government of India, 1781

FROM *The Right, Interest and Duty of Government, as concerned in the affairs of the East Indies*, 2nd ed., 1781, pp. 35–8. The views of Thomas Pownall, a former Governor of Massachusetts and an acknowledged expert on American colonial affairs, are typical of those who thought that the functions of the Company's government should be strictly limited and that it should interfere with Indian institutions as little as possible.

I speak not here of this measure as it respects, and may respect, those places reduced to and become, in their establishment and polity, British communities.—My reasoning only considers it as it respects the government of a predominant over a subordinate country, supposed however at the same time to retain its own internal constitutional polity. Viewing it in that light, I say, so far as this measure assumes a supreme, superintending, and controling power, superinduced, *ab extra*, over, but not mixing with, or deranging the internal powers of, the laws of the country, or profaning (in the sense in which the people of that country conceive to be prophaning) the national customs civil or religious: so far as it holds and duly collects the public revenue, by rules, though strict, yet fixed and known, and suited to the nature of the sources of that revenue, instead of collecting the fruit in a manner that has well nigh destroyed the tree. So far as it holds, wields and directs, in these subordinate countries, the power of the sword to the purposes of external protection and internal peace, to maintenance of the state of which it is the state-holder; so far is it necessary, wise and beneficient. So far as the supreme judicature shall act as a court remedial, by the general principles of common justice, accommodated in their application to the customs under which the character of the people is formed, to the laws which form their civil

morality, is conducted, and maintains this justice ascendant under the protection of the British government: thus far it may be made one of the greatest blessings which a reigning government, having political freedom within itself, can communicate to a people under its dominion: but if the administration of justice, and the executive power following it, doth or ever shall derange the grounds of the old national customs, or the spirit of their civil morality, or the orders and casts by which the people as a nation are divided and arranged, doth or ever shall interfere with, and cross upon the fundamental laws of the nation, it will tear up all law by the roots, and under the cruel delusion of justice, plant the most wicked of all despotism in the extreme.

If that supreme treasury, which must necessarily become the ultimate repository, as the reservoir of all the revenue, should, instead of suffering the fruit to grow by its natural process, instead of collecting it as only the surplus which the people can spare over and above what is necessary to the support of the labourer, to the maintenance of the stock of the manufacturer, and to the payment of the interest of money employed to conduct the trade and commerce of the whole, should, under ignorance in this true policy, attempt to profit in the exertion of the vague, undescribing, inapplicable terms of the British municipal law, go to severe and extreme execution of Exchequer or Admiralty proceedings, there is not a miserable wretch, whether rich or poor, who will not from that moment loose all right and security both in his property and person, all comfort, rest, and even hope in his existence.

If the Governor General, Council, or judges under any the like wilful or ignorant perversions, should ever extend the controling and superintending power of the predominant state vested in them to persons and places, which, though subordinate to their factories, are yet municipal in themselves, by assuming to make rules, ordinances, and regulations, which, while they supercede the laws and customs of the subordinate community, cannot apply but in direct despotism; that supreme imperium which the British nation means to hold in the ascendant over the Indian government, will be the most transcendant curse of despotism. But, if on the contrary, according to the true intent and meaning of the British legislature; according to the spirit of the Roman precedent; the law establishing an ascendant government in Bengal, Bahar and Orissa, shall be so explained and amended, that while this government holds the sword, it exercises that power only by internal exertion in aid of the national government, or by protection against external violence. If, while as a real protector and judge, it gives remedy and relieves by equity the unavoidable hardships which strict law occasions; if, while it exercises this superceding, it leaves undisturbed and uninterrupted the national custom and civil morality consequent thereupon: if, while it looks only to the collective

revenue, it suffers the industry of the country to apply its labour in its own way, and suffers the bee (if I may so express myself) to collect and store and possess its own honey in its own combs, until the state calls for that part which the hive can spare, and which doth and should go to the support of government. It will make the community productive in its labor, and happy in the enjoyment of the fruits of that labor. An ingenious, industrious, thrifty people, thus made happy, will in return be constantly producing, by a superlucration of profit in manufactures and commerce, a constantly increasing revenue, the source of abundant, permanent wealth and power to the state.

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Robert Grant, in Defence of the Company, 1813

FROM *The Expediency maintained of continuing the system by which the Trade and Government of India are now regulated*, 1813, pp. 148–50. Robert Grant, the younger son of Charles Grant, is writing a tract in defence of the East India Company. Like many others of his time, he was confident of the Company's ability to improve conditions in India, and, unlike an earlier generation such as Pownall, he approved of the limited imposition of European ideals.

Whether the administration of British India, which has now been pretty fully developed, must or must not be productive of happiness to the natives of that region, the reader has to decide. It surely is a question, the determination of which the Company might, without presumption, leave to the natives themselves. It is not, indeed, to be supposed that the higher Mahomedans can view with complacency the dominion which they so lately possessed, in the hands of foreigners, or can, with unmixed pleasure, contemplate institutions of polity which, in blessing the people at large, consolidate the power that supplanted their own. It may even be admitted that, among the more opulent Hindoos, there are those who, having enjoyed and probably abused authority under the ancient government, now lament their diminished consequence and their lost opportunities. But all these would notwithstanding allow the moderation with which power is exercised, and the purity with which justice is administered, by the English; nor can they be unaware of the security consequently derived to their own persons and property. The good-will of the Mahomedans is farther conciliated by our use of their code of criminal justice, and by the official employment which, from that circumstance, our courts of law afford to many individuals of their faith. The poorer and lower members of the community, however, must necessarily be the greatest

gainers by a system of which the capital principle is the extension of equal protection to all classes. In the times of Mahomedan ascendancy, a sort of *devolution* of oppression descended by stages from the prince to the peasant. Every intermediate possessor of rank or influence, oppressed by those above, revenged himself on human nature by oppressing those below. To console him for the misfortune of being a slave, he had the savage satisfaction of being a tyrant. It was to the inferior orders that all the blanks fell in this grand game of misery. It is on these, therefore, that the deepest obligations have been conferred by a government which has rescued them from their state of utter and, as it were, accumulated servitude. The effects of the improvement in their situation will, in no long time, we may conjecture, become perceptible in their altered character and demeanor. It is even said that some change has already taken place in these respects, and that complaints have been heard on the subject from old European settlers in Bengal, who, before the completion of the present system, insensibly adopted, in a partial degree at least, the habits of the country, in their treatment of the inferior natives, and were accustomed to meet with a submission which is now withheld. Such complaints, however, would form the best possible eulogium, not only on the virtue, but on the wisdom also, of the British government; which will find a surer and a cheaper, as well as a more agreeable, support, in the gratitude of fifty millions of men, than it could ever have wrung from their debasement and fears. It was said by a departed orator, in commendation of a Bill proposed to the English Parliament, 'that it would secure the rice in his pot to every man in India'.[1] Though the measure which this great man so complimented was not carried into effect, the state of things pictured in his homely but expressive eulogium has in a great measure been realized. Already, throughout the extensive domain, do the meanest rights of the meanest native stand on the solid base of law and justice. Imperfections, indeed, the system contains; as they may be found in all systems, composed of terrestrial elements, and but partially fortified by the confirmation or matured by the experience of age. But it progressively improves; and its foundations are so broad and deep that none can guess the future magnitude of the superstructure. Into whatever forms of moral, or political excellence, philanthropy, in her radiant but permitted dreams, can mould the dust of mortality, she may one day awake and find them exemplified on the banks of the Ganges. The edifice is so firmly rooted in earth, that it may eventually hide its summit in heaven.

[1] This was said by Burke in his speech on Fox's India Bill.

Resolutions of the Committee of the Protestant Society for the Protection of Religious Liberty, 2 March, 1813

FROM *Papers Respecting the Negociation for a renewal of the East India Company's exclusive Privileges*, 1813, pp. 276–8.

At a

SPECIAL MEETING of the Committee of 'the Protestant Society for the Protection of Religious Liberty', convened at the New London Tavern, 'to consider the Propriety of renewing their Exertions to diminish the Difficulties which have impeded the Freedom of Christian Missionaries in India', on March 2d, 1813.

Samuel Mills, Esq. Chairman.

The Committee having referred to the proceedings adopted by them in March and April 1812, and to their correspondence with the late Right Honourable Spencer Perceval upon the same subject.

Resolved, I—That this Committee including members of the National Church, and representing many hundred congregations of Protestant Dissenters in England and Wales, of all denominations, must primally exert their vigilance and energy for the protection of religious freedom within the United Kingdom; but that principle and sympathy must equally impel them to approve, to desire, and if possible, to obtain the enjoyment of that liberty in every part of the British Empire throughout the world.

II—That as men, as Britons, and as Christians, this Committee continue to regard with anguish and with horror, the moral depression and religious ignorance of very many millions of immortal beings, who people the plains of India, subject to British power. That their 'hearts are pained' at the fearful penances, licentious rites, female degradation, human sacrifices, and horrible infanticide, which there prevail: and that, convinced by history, observation, and experience, that Christianity would afford inestimable benefits, and that their diffusion is practicable, wise, and imperative, they cannot but preserve

eminently to desire its speedy and universal promulgation throughout the regions of the East.

III—That motives, urgent and irresistible, must therefore induce this Committee still to deplore and to condemn every obstacle which has been interposed, to prevent the dispersion of gloom so lasting and so profound, by the irradiating beams of Christian truth.

IV—That they esteem the power possessed and exercised by the East-India Company to prohibit Christian Missionaries from residing within the vast dominions under their controul, as the greatest impediment which has recently existed to the progress of Christianity in India, and as inconsistent with the religious freedom which this Committee must invariably defend.

V—That although this Committee would deprecate and abhor any intolerant interference, either with Mahommedans or Hindoos, and do not advocate any ecclesiastical establishment, they must continue strenuously to contend, that on the renewal of a Charter to the East-India Company, their former powers of exclusion should not be renewed, but that Christians of every sect should be permitted, unlicensed, to explain, and peaceably to promulgate, throughout India, the holy religion which they profess, and should enjoy the equal protection of the State.

VI—That to effectuate a result which they deem interesting and most desirable, this Committee will renew their application to his Majesty's government, and intreat their interposition and assistance; will, if necessary, express their wishes by petitions to both Houses of Parliament; and will, by the public avowal of their sentiments, endeavour to excite the attention of the benevolent and the pious, to an object deserving of their best consideration and ardent support.

VII—That this Committee cannot but communicate the pleasure with which they perceived that, stimulated by their former efforts, various other associations displayed, during the last session of Parliament, considerable solicitude and zeal for the establishment of these invaluable rights, and cannot but invite their renovated exertions and continued aid.

That these resolutions be transmitted to the President of the Commissioners for the Affairs of India, and to the Chairman of the East-India Company, for the information of the Directors, and be advertised, signed by the Secretaries, in the public papers, and in those periodical publications which most extensively circulate.

(signed) *Thomas Pellatt,*
John Wilks,
Secretaries.

William Wilberforce on Missions, 1813

FROM *The Substance of the Speeches of William Wilberforce Esq., on the Clauses in the East-India Bill for permitting the Religious Instruction and Moral Improvement of the Natives of the British Dominions in India,* 1813, pp. 15–17. Wilberforce is putting the case for the free admission of missionaries into the Company's territories.

But our opponents, encouraging one another in their error, take still higher ground, and affirm, that if it were practicable to convert the Hindoos to Christianity, it is not *desirable.* The principles of the Hindoos are so good, their morals are so pure; better than our own, as we are told by more than one Honourable Gentleman; that to attempt to communicate to them our religion and our morality, is, to say the least, a superfluous, perhaps a mischievous, attempt.

This, by the way, is no new doctrine; but, considering its origin, it is not altogether without shame, as well as grief, that I find it receiving any countenance in this assembly. It sprang up among the French sceptical philosophers, by whom it was used for the purpose of discrediting Christianity, by shewing, that in countries which were wholly strangers to its light, the people were in general more gentle and peaceable, and innocent and amiable, than in those countries which had for the longest period professed the Christian faith. After the practical comment, however, which a neighbouring kingdom has afforded of the doctrines of the French philosophers, the opinions of our opponents will not experience a more favourable reception in this House, or in this country, on account of their issuing from such a source.

But really, Sir, I can only say, that if the principles and morals of our East Indian fellow-subjects were indeed so admirable, if they were

even better than our own, it would be a fact that would belie the experience of all other times and countries. When was there ever yet a nation on which the light of Christianity never shone, which was not found in a state of the grossest moral darkness, debased by principles and practices and manners the most flagitious and cruel? Is not this true of all the most polished nations of antiquity? Did not more than one practice prevail among them, sanctioned often by the wisest and the best among them, which in all Christian countries would now be punished as a capital crime? But, Sir, have not moral causes their sure and infallible effects? Is it not notorious, that the nations of India have, from the very earliest times, groaned under the double yoke of political and religious despotism? And can it then be maintained, that these must not have produced a proportionate degradation of their moral character? And is it in a British House of Commons, above all other places, where such a doctrine as this is maintained? Are we so little sensible of the value of the free constitution and religious liberty which we enjoy, and so little thankful for them, as to tolerate such propositions? No, Sir: I trust we shall be protected by our feelings, no less than by our understandings, against being carried away by any such delusions. No, Sir: the common sense of mankind, in this country at least, is not to be so outraged; and, in truth, we find the morals and manners of the natives of India just such as we might have been led to expect from a knowledge of the dark and degrading superstitions, as well as of the political bondage, under which they have been so long bowed down. To which I may add, that, such is the nature of their institutions and customs, that not religion only, but common humanity, should prompt us to exert all legitimate methods for producing the discontinuance of them.

Against Missionaries, 1807

FROM *A Letter to the Chairman of the East India Company on the danger of interfering in the religious opinions of the Natives of India . . .*, 1807, pp. 29–31. Thomas Twining, a proprietor of the Company who had considerable Indian experience, acknowledged his authorship of this tract by publishing a second edition under his own name. He is trying to point out the political dangers of missionary activity.

But, Sir, the religious opinions of the natives of India, is a subject on which my feelings are particularly alive, not merely from the interest I take in whatever relates to the happiness of the natives, but from my extreme apprehension of the fatal consequences to ourselves, from any interference in their religious opinions. Indeed, Sir, almost all my fears for the safety of our Indian possessions rest upon this point. Of the chances of war, of any partial disaffection to our government in matters merely of a civil or political nature, I have no very serious dread. The prudence or power of our governments abroad, as long as they can be aided by the maritime superiority of this country, will, I trust, be able to restore tranquillity in such cases. But, a convulsion proceeding from religious sources, no human efforts may be able to subdue. Notwithstanding the extraordinary observation of Mr Buchanan,[1] that the natives are not particularly attached to their religious opinions, I will venture to say, that there is not, in the world, a people more jealous and tenacious of their religious opinions and ceremonies, than the native inhabitants of the East. Sir, the people of India are not a political, but a religious people. In this respect, they

[1] Twining wrote his pamphlet to counter one by the Reverend Claudius Buchanan, a chaplain in the Company's service, entitled *Memoir of the Expediency of an Ecclesiastical Establishment for British India*, 1805.

differ, I fear, from the inhabitants of this country. *They* think as much of their Religion, as *we* of our Constitution. *They* venerate their Shastah and Koran, with as much enthusiasm as *we* our Magna Charta.

As long as we continue to govern India in the mild and tolerant spirit of Christianity, we may govern it with ease: but if ever the fatal day shall arrive, when religious innovation shall set her foot in that country, indignation will spread from one end of Hindostan to the other; and the arms of fifty millions of people will drive us from that portion of the globe, with as much ease as the sand of the desert is scattered by the wind. But I still hope, Sir, that a perseverence in the indiscreet measures I have described, will not be allowed to expose our countrymen in India to the horrors of that dreadful day: but that our native subjects in every part of the East, will be permitted quietly to follow their own religious opinions, their own religious prejudices, and absurdities, until it shall please the Omnipotent Power of Heaven to lead them into the paths of Light and Truth.

The Virtues of Indian Civilization, 1813

FROM *Substance of the Speech of Charles Marsh . . . on the Clause of the East-India Bill 'Enacting further facilities to Persons to go out to India for Religious Purposes'*, 1813, pp. 39–41. Charles Marsh, a former barrister at Madras, is defending Hinduism against the denigration of missionaries and their supporters.

I hope therefore that I heard not aright, when an Honourable Member[1] discoursed of the Hindoos as a people destitute of civilization, and degraded in the scale of human intellect. Is it possible that such things can be imagined? Whence has the Honourable Member, whose learning in their customs and history I am bound by the courtesy of the House not to call in question, whence has he derived this theory of their moral and intellectual inferiority? Is it in the remains to be traced through that vast continent, of a system of law and polity, which shews them to have been a people abounding in all the arts which embellish life, and all the institutions which uphold it, from an era long before the dawn of our most venerable establishments, and before the primaeval silence of our forests had been broken by the voice of man; professing also the great principles of natural theology, the providence of God, and the future rewards of virtue, before our ancestors had arrived at the rudest elements of a religion? Is it in that habitual government of the passions, that absolute subjugation of the will to the reason, which would shame the Stoic doctrine, and falls little short of that purity and perfection of the Christian discipline which the best of us rather hopes, than expects to attain? Indeed, when I turn my eyes either to the present condition or ancient grandeur of that country; when I contemplate the magnificence of her structures; her spacious reservoirs constructed at an immense expense, pouring fer-

[1] Marsh is answering William Smith, MP for Norwich.

tility and plenty over the land, the monuments of a benevolence expanding its cares over remote ages; when I survey the solid and embellished architecture of her temples; the elaborate and exquisite skill of her manufactures and fabrics; her literature, sacred and profane; her gaudy and enamelled poetry, on which a wild and prodigal fancy has lavished all its opulence; when I turn to her philosophers, lawyers, and moralists, who have left the oracles of political and ethical wisdom, to restrain the passions and to awe the vices which disturb the commonwealth; when I look at the peaceful and harmonious alliances of families, guarded and secured by the household virtues; when I see amongst a cheerful and well-ordered society the benignant and softening influences of religion and morality; a system of manners, founded on a mild and polished obeisance, and preserving the surface of social life smooth and unruffled;—I cannot hear without surprise, mingled with horror, of sending out Baptists and Anabaptists to civilize or convert such a people, at the hazard of disturbing or deforming institutions, which appear to have hitherto been the means ordained by Providence of making them virtuous and happy.

The Charter of the 'New' East India Company, 5 September, 1698

PRÉCIS MADE BY FRANCIS RUSSELL in *A Collection of Statutes concerning the Incorporation, Trade, and Commerce of the East India Company,* 1786, appendix, pp. xviii–xxii. In 1698 a consortium of merchants succeeded in persuading the House of Commons to accept proposals embodying them as a new East India company competing with the 'old' Company founded in 1600. The new Company was granted a royal charter, which became the charter of the United Company when the two bodies merged in 1709.

The subscribers are incorporated by the name of 'The English Company trading to the East Indies', with perpetual succession; may purchase, and again convey and dispose of, lands and tenements, and of goods and chattles (subject nevertheless to the restrictions contained in the said Act);[1] may sue and be sued in all courts, &c. The subscriptions of the respective members to be united, and esteemed the capital stock. All persons and corporations, intitled to any share in the stock, either as subscribers, or by assignment, &c. are to be members of the Company; and admitted without fee; other members of the General Society[2] may be admitted, and their stock united to the rest; the annuity, or interest of the two millions,[3] to be paid to the Company's treasurer, weekly, by the Exchequer; the capital stock may be increased, so that it does not exceed the sum total limited for their trade by the said Act; the Company, and their factors, agents, and servants, may trade to and from the East Indies, &c. (the limits being

[1] The Act permitting the Crown to incorporate a new company (9 and 10 Will. III, c. 44).

[2] The new Company was at first incorporated as a General Society.

[3] The new Company lent £2 million to the government.

described as in the Charter of 43d Elizabeth),[1] so that the goods and bullion exported within any one year exceed not the total of the subscriptions of the Company, subject to the proviso for redemption, and other restrictions of the said Act; no member to trade but in a joint stock; every member, and manager or Director, to swear or affirm he will be faithful to the Company; and not to trade on his own private account to India; and to give his best counsel and advice, &c. The Company to give security to bring to England all their goods, except in certain cases specified in the Act; all sales to be by inch of candle; no lot to exceed £1,000 except jewels; Company annually to export goods of the growth, product, or manufacture of England, to the amount of one tenth part of the sum for which they shall trade; and render an account thereof, annually, to the Privy Council. They shall furnish government with 500 tons of saltpetre, as the General Society were required to do by the said Act and in lieu thereof the Company shall have the same discounts and allowances at the customs, as granted to the Old Company by the Second Charter of regulations of the 28th September 1694.[2]

The Company are to maintain a minister and schoolmaster at St Helena, and one minister and schoolmaster in every garrison and superior factory, and to set apart therein a decent place for the performance of divine service: they are also to provide a chaplain for every ship of 500 tons or upwards;[3] whose salary is to commence from the time of the ship's sailing outwards. All such ministers are to be first approved by the Archbishop of Canterbury, or the Bishop of London, and to be at all times entertained with due respect. The ministers resident in India, are to learn the Portugueze and Hindoo languages, to enable them to instruct the Gentoos, &c. in the Christian religion. Vacancies of resident ministers are to be supplied by the chaplains of the next ships that shall arrive: also a schoolmaster is to be provided at all garrisons and factories where necessary.

The Charter then proceeds to the nomination of twenty-four Directors, of whom thirteen are to constitute a Court of Directors. Members may meet in General Court, and choose twenty-four Directors on 25th March annually, and make bye-laws and ordinances for the government of the Company and their affairs.—Qualification to vote, £500 stock.[4]—No person to have more than one vote.—Cor-

[1] i.e. the charter of 1600 founding the old Company.

[2] In the charter of 1694 the Company gave up the right which they had previously enjoyed of paying customs duties up to one year in arrears, but in return they were granted a discount.

[3] This clause was the traditional reason why in the early eighteenth century the registered tonnage of East Indiamen was always 499.

[4] This qualification remained in force until the passing of the Regulating Act of 1773 (see above, pp. 112–13).

porations may give one vote by deputy.—Directors are to call General Courts for supplying vacancies in the direction by deaths or removals. —The forms prescribed for the oath and affirmation of voters.—Two Directors may administer the same.—Qualification for a Director, £2,000 stock. To continue only whilst he holds such stock. The forms for the oath of qualification and office of Directors, and for the oath of servants and agents. If any person elected a Director shall not qualify in ten days, or shall refuse to act, another shall be appointed by the General Court in his stead.

A quarterly General Court of Proprietors to be holden in March, June, September and December. Directors to summon other General Courts, when required by nine proprietors, within ten days after demand. In default, nine proprietors may call a General Court, by ten days notice fixed at the Royal Exchange, and a General Court may remove Directors for misconduct, and elect others.

Directors to assemble and act according to the bye-laws; and where such shall be wanting, they may transact the affairs of the Company, make provision for shipping, appoint servants and agents, and generally do all other business of the Company, subject to the restrictions and provisions of the Act.

A further power is given to the General Court to make bye-laws and constitutions for raising an additional joint stock; for apportioning profits of trade; for the good government of their servants and agents; for inflicting penalties and punishments for any breach thereof, not being repugnant to law.

All fines and mulcts are granted to the Company.

The next part of the Charter prescribes the mode of keeping the Company's stock account, and making transfers thereof in the Company's books.

All questions in General Courts are to be decided by the majority; and in case of equality of votes, then by lot or ballot.

Directors' duties may be executed by their sub-committees.

The receiver-general of the customs is to pay over the Company's duty of £5 per cent. (granted by the said Act for the maintenance of ambassadors) to the Company's treasurer.[1]

The Charter then grants to the said Company for ever the whole and intire use and privilege of trading to and from the East Indies, in exclusion of all other persons (saving only an indulgence of trade reserved to the Old Company, until Michaelmas, 1701). And the King thereby enjoins all other his subjects from trafficking, visiting, frequenting, or adventuring in, to, or upon the same; thereby granting power to the Company, and their deputies, &c. to seize all ships and

[1] This duty on all goods imported from India remained in force until 1714 (see 6 Anne, c. 17, sec. 8).

goods in England or the East Indies, which shall be forfeited or seizable under the said Act; with all such other powers as are vested in the officers of the customs, for seizing prohibited goods. But the Company may grant licences to others to trade, &c. under certain restrictions.

The King grants to the Company the government of all forts, factories, and plantations, which shall be possessed by the Company in India, and other the limits aforesaid; and the right of appointing governors and other officers, and to remove them at pleasure, with power for such governors and officers to raise forces for the defence of the settlements; reserving to the Crown the sovereign right and dominion over all forts, factories, and plantations.

The Charter then establishes one or more court or courts of justice to be held at such places, forts, plantations, or factories, upon the coasts within the Company's limits, as the Company shall appoint, each to consist of one person learned in the civil laws, and two merchants; and they, or the major part of them, (whereof a civilian is to be one), are to try cases of forfeitures, and seizures of ships and goods, coming on the said coasts or limits contrary to the Act and this Charter; and all causes mercantile and maritime, bargaining, buying, selling, and bartering of ware; policies and acts of insurance; bills, bonds, and promises for payment of money, mercantile or trading contracts, charter parties, or trading contracts for freightment of vessels, and wages of mariners, and all other mercantile and maritime cases concerning any persons residing or being within the East Indies, or the said limits; trespasses, injuries, and wrongs done upon the high sea, or in the regions, countries, or places within the said limits, concerning any persons residing or being in the parts of Asia, Africa, and America, within the said limits; all which cases are to be determined according to the rules of equity, and the laws and customs of merchants, by such methods as the Crown, under the great or privy seal, shall from time to time appoint; and for want thereof according to the discretion of the judges of the said courts.—Their judgements are to be put in writing, and signed by the persons giving the same, with a short state of the facts; the Company are to enjoy all the privileges in the City of London, granted to any other chartered company; and all admirals, vice admirals, generals, commanders, commissioners of the customs, mayors, sheriffs, &c. are enjoined to be assisting to the Company and their servants. The Charter shall be construed in the most beneficial sense for the Company, and the King engages to grant to them such further privileges, &c. as may be lawfully granted by the Crown, and as shall be advised by the Company's counsel, and approved by the attorney or solicitor general.

31

Criticism of the Shipping System of the East India Company, 1795

FROM J. Fiott, *Three Addresses, to the Proprietors of East India Stock, and the Publick, on the Subject of the Shipping Concerns of the Company,* 1795, pp. 32–5. John Fiott had been building ships for the East India Company since 1780. Although he offered his ships at freights considerably lower than those charged by the existing owners, his offers were usually rejected, due, he believed, to the domination of the Company by 'the shipping interest'.

The first consideration which I shall begin with, is the notorious luxury formerly prevailing among the captains of East-Indiamen.—The term of floating taverns was scarcely sufficiently descriptive of their vessels, they were floating villas, with princely accommodations. I should be ungrateful for the civilities I have received on board of some of them, not to say, that a considerable part of the profits of the officers, was devoted to a polite, as well as a generous, hospitality; but certainly, the navigation of the East-India Company was capable of being conducted free of this expence.

A second confirmation of the general fact arises from the ample fortunes with which these gentlemen formerly quitted the service, after a few voyages, especially where they had not paid extravagantly for their situations; while persons of the best families frequently retire from the royal navy, after active and dangerous services, with a provision so inferior, as to bear no sort of comparison. Certain it is, that men of integrity, skill, and respectable manners, might have been found disposed to serve in East-Indiamen for much smaller compensations, than were then in question; since lieutenants in the navy command even West-Indiamen for a course of years, and make annual voyages in them, which last from six to eight months each, bringing

home similar cargoes with those which may be brought from the East Indies; namely, cotton, sugar, spice, and drugs. I have intimated that these things existed formerly; for, since 1784, the case is greatly changed; but for this change, little thanks are due to the Directors, the alteration having chiefly arisen from various Acts of Parliament affecting the profits on the private trade of the captains and officers. I am fully warranted, however, in noticing the above particulars, because they prove a reform in this branch of the service to have been both requisite and possible; though it was omitted from 1773 to 1784, and then accomplished by government, rather than by the Directors. —But to proceed.

I must name, as a third obvious proof of extravagance in the Company, the enormous prices which are still current for the command of an Indiaman, during a single voyage or during four voyages, especially if it be to Bengal;[1] to obtain which destination has, of itself, as is well known, sometimes been the subject of a bargain. The profits of Bengal voyages it must be observed, arise from passengers, and from the private trade, (supposing the latter to be conducted with judgement).—I speak of these incidents as current, because every one, conversant in these subjects, has frequently heard them mentioned, without reserve, by the best informed people, without being at any time contradicted.

But whatever may be said of the former profits, obtained by the officers serving in Indiamen, is to be affirmed with much more truth, and as having place in full force down to the present moment, with respect to persons interested in East-India ships.—Whether superfluous gain upon these occasions, falls to the share of the captain or other officers, or to the owners, the builder or husband,[2] or whether a needless loss arises which produces gain to no one, (one of the usual consequences of profusion and venality,) the mischief is equally great to the Company and the public, and calls equally for a reform.

The sway which the several branches of the shipping-interest possess in the Company's elections, is a fact too notorious to be disputed; and is another evidence of their wealth, and of the purposes to which they apply it. As they influence a sufficient number of votes to turn the scale in every contested election, it is not to be wondered that a majority of the Court of Directors are always favourable to them, and that the conduct of the Court is, in many instances, such as it is found to be.

But, above all, let me remark that the same bottoms continue in the same hands for a long series of years, the bottom of an East-Indiaman

[1] At this period the price of a command of an East Indiaman was said to be between £6,000 and £11,000 (Parkinson, *Trade in the Eastern Seas*, pp. 180–1).

[2] 'Ships' Husbands' were their managing owners.

being as immortal as the celebrated ship of Delos.[1]—How this can happen, when every ship is directed to be built and hired in consequence of a new tender open to all, is not to be explained upon any other system than that of favoritism. Do the old ship owners make offers so constantly lower than others as always to obtain this preference fairly? I put it to their consciences, and to those of the Directors to affirm this; and, in the mean time, I let the issue rest with the common sense of the publick; who are well acquainted with the natural eagerness of strangers to become competitors in a case so notoriously advantageous, to those employed, as that under enquiry.

I shall not insist farther upon the instances of the Tartar, the Chapman, and the Hartwell;[2] for I trust that I have already said enough upon the subject of them. But I may notice the recent complaint of Mr Alderman Macaulay, respecting the Pitt,[3] as a case the more particularly in point; since it took place in spite of the reflections occasioned by the late resignation of one of the Directors,[4] and of the repeated reproaches made to the Directors on account of their partiality. Abuses must indeed be inveterate, when they admit of no respite, at a moment when prudence calls for it.

But were it possible to get over these different arguments, what are we to say to the comparative cheapness of the Swedish Company's navigation to the East Indies, even since our ships have been constructed on models equally large with theirs? What are we to think of the Ostend Company, who possess ships of our own building, and employ officers and men of our own nation, and yet navigate 30 or 40 per cent cheaper. Above all, what are we to think of the Americans, who find it answer to send, among other things, deal timber to the East, and to import teas in long boats. Let those be asked who have tried the experiment in these several cases, whether the difference of expence upon a comparison, is not enormous.

Lastly, what conclusions are we to draw from the supineness of the Directors, who have long heard complaints against their conduct, and have taken no step to ascertain the purity of it, by the establishment of measures which should take away not only the temptation,

[1] Every year the Athenians sent a ship to Delos to commemorate the slaying of the Minotaur by Theseus.

[2] The *Tartar* was tendered by Fiott to the Company in 1780, permitted to go on one voyage, but refused a second voyage, as was the *Chapman*, even though the rates charged by Fiott were lower than those the Company accepted. The *Hartwell* was a new ship built by Fiott, which was accepted by the Company in 1787. She was wrecked on her maiden voyage and Fiott was not allowed to build another for the Company in her place.

[3] Macaulay's ship the *Pitt* was rejected by the Company in 1791, although the rate offered for her was lower than that accepted for other ships that year.

[4] Fiott is presumably referring to the resignation of John Woodhouse in 1791.

but the option of doing wrong? The Directors, I say, who have received offers upon offers, for reducing the expences of the Company's marine, without listening effectually to any? Would not men, anxious to do justice, examine the respective candidates for their service, face to face, upon such an occasion, when their offers differ so widely?

A Defence of the Shipping System of the East India Company, 1799

FROM JOSEPH COTTON, *A Review of the Shipping System of the East-India Company*, 1799, pp. 15–17. Cotton, a Director of the Company who had been captain of an East Indiaman, is writing to defend the Company's traditional shipping system from attacks such as Fiott's.

Innovations in an established system are at all times dangerous. The India ships have always been spoken of with respect and commendation excepting the high freight; such security must be paid for, it is the premium of insurance added to the cost of transit. This system of things has had the experience of years to bring it to its present maturity. Like the constitution of our country, it had been improved by the hand of time, and abuses corrected as they arose. The size of the ships, their equipment and construction, the almost daily inspection when building or repairing, the time they were on the stocks, to season the timber, and ensure their strength to the last, as far as human precaution could do, are all points of uncommon importance to a Company who are their own insurers. Add to this, the experience and ability which the commanders and officers are known to possess, beyond most persons in this profession, from the system adopted to make them so.

Thus the Company have been protected in their maritime concerns, by the most efficacious measures; and the safety of their property has ascertained the wisdom of the proceedure hitherto.

A question naturally arises from the contemplation of this great shipping system: —was it, or is it now necessary?

The records of the Company bear testimony to its great utility in so many instances, that it seems folly to dispute it; the efficiency of the fleet all parties agreed was needful, and ought to be maintained. The

value and importance of it should be estimated by the real cost, divested of all the incidental expences and charges of demurrage for delays and detention in war, and on political service.

The injury sustained by their arrival out of time, late dispatch, circuitous voyages, and consequent damage on their cargoes, are all contingencies not chargeable to the establishment; for, in fact, the ships have been dedicated to other purposes beside commercial ones, and the defence of the Company's settlements in India, affording accommodations for troops beyond vessels of any other description they have been detained for that purpose at a great expence and risque. Yet with these, and many other instances of superiority, still from the language and conduct that has been held, it should seem as if their force and efficacy was but a problematical good; that other ships and other commanders are sufficiently competent, that these regulations are partial and unnecessary. It appears as if the way was pointed out, and partly trod to paralyse the whole, by the employment of other ships, even for the finer cargoes; and the intentions manifested to introduce Indian bottoms.

It now ceases to be the monopoly it was said to be; yet if every monopoly, because it is profitable, is to be laid open to all the subjects of the realm, whose pretensions are equal, and who would hazard the undertaking, the Bank itself would be insecure in its tenure. In this of shipping there was a capital of two millions engaged. The ships are passing into the hands of other individuals, and it will be very long before we find centered in the owners, that great accommodation and convenience, which years and the liberal freights had contributed to establish. Its efficiency can never be what it was; and I lament, with real concern, the prospect of a reduced fleet, when so much security to our cargoes and possessions has been derived from its superiority: it appears to me, like the removal of some of the main pillars of a fabric, to substitute a less substantial support.

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The Court of Directors' Dispatch to the Bengal Council, 21 November, 1766

FROM *Fort William—India House Correspondence,* New Delhi, 1949–, iv. ed. C. S. Srinivasachari, pp. 207–8. Having received news that Clive had acquired the *diwani* of Bengal, the Directors are instructing their servants to increase the 'investment' of Indian goods for the London market by all possible means.

52 If the revenues come regularly into your treasury, to so large an amount as you have given us reason to expect, and which we flatter ourselves will certainly be the case if no unforeseen disappointments happen, you will be possessed, after the civil and military charges of the Presidency are defrayed and a reserve made sufficient for all exigencies of such large sums as may be difficult to be invested, in order for their annually centering with us, and the Company in such case may be very rich in Bengal, and at the same time under very disagreeable and embarrassing circumstances at home. It will require all your attention to enlarge every channel for conveying to us as early as possible, the annual produce of our acquisitions, as well as profits of trade; for this purpose, we recommend it to you in the strongest manner, to increase the investment of your Presidency to the utmost extent you can, without debasing the several manufactures by indiscriminately taking in such goods as you shall judge unfit for the Europe market, and at the same time using all imaginable care and caution, not to give any just reasons for complaints from the other European nations, as we would have harmony subsist between you and them, which we think with prudence may very consistently be preserved, even with your endeavours for increasing our investments. In order for your guidance on this important point, we now send you a list of the species and quantities of the several articles to be provided at your Presidency, you will observe that the quantitys are larger than

usual; yet great as they are, we hope by exerting you best endeavours, they may be extended, particularly in those articles pointed out in the accompanying account, to as large an amount as you can find conveyances for, for which purpose every ship must have as much surplus tonnage, as she can possibly take in, but as the number of ships to be dispatched from your Presidency will depend on circumstances, we shall confide in your care for concerting with our other Presidencies the necessary measures for being effectually supplied with shipping. 53 If your circumstances are such as we have intimated in the preceding paragraph, the investment you can send from Bengal will not we apprehend with all your endeavours be to so great an amount as to answer the desired purposes. You are therefore to make such early remittances to our other Presidencies as will enable them to extend their investments also, to the utmost, and in particular we shall depend upon your effectually supplying annually our Council in China with silver and other articles sufficient for a full investment from thence.

The Commutation Act, 1784

FROM *An Act for repealing the several Duties on Tea, and for granting to His Majesty other Duties in lieu thereof . . .*, 24 Geo. III, c. 38.

Whereas the several rates and duties upon tea, exposed for sale in these kingdoms, amount together to so considerable a sum, in proportion to the value of that commodity, as to afford great encouragement to the fraudulent importation thereof, and have contributed greatly to other illicit practices highly detrimental to the revenue, and of dangerous consequences to the publick, the prevention of which is become an object of the utmost importance; we, your Majesty's most dutiful and loyal subjects, the Commons of Great Britain, in Parliament assembled, do therefore think it would be for the advantage of the publick to repeal the several duties imposed upon tea, and in lieu thereof, to grant unto your Majesty the several new duties hereinafter mentioned: and we do most humbly beseech your Majesty that it may be enacted; and be it enacted by the King's most excellent Majesty, by and with the advice and consent of the Lords Spiritual and Temporal, and Commons, in this present Parliament assembled, and by the authority of the same, that from and after the fifteenth day of September, one thousand seven hundred and eighty-four, the several rates, duties and other impositions upon tea imported, sold, or used in this kingdom, shall cease, determine, and be no longer paid or payable.

II And be it further enacted by the authority aforesaid, that the United Company of merchants of England trading to the East Indies shall be, and they are hereby discharged, of and from the payment of all duties whatsoever, by any Act or Acts heretofore imposed upon all tea, the property of the said United Company, which shall, on the said fifteenth day of September, one thousand seven hundred and

eighty-four, remain in the warehouses of the said Company in Great Britain, under the lock, or in the custody of the officers of his Majesty's revenue, having charge thereof.

III And be it further enacted by the authority aforesaid, that upon all tea which, from and after the said fifteenth day of September, one thousand seven hundred and eighty-four, shall be delivered to the buyers thereof by the said United Company, there shall be paid to the King's Majesty, his Heirs and Successors, by the purchaser or purchasers of such tea, a duty of twelve pounds ten shillings per centum, to be computed upon the cross prices[1] at which such tea shall be sold. . . .

V And whereas it is just and reasonable that the said United Company should, in consideration of the great benefit which may result to their commerce from the reduction of duties hereby made, contribute their utmost endeavours for securing to the publick the full benefit which will arise from an immediate and permanent reduction of prices . . ., [the price at which bidding begins at the Company's tea auctions is never to be higher than what the tea cost the Company to bring to Britain. The Company are also required always to keep in hand 'a stock at least equal to one year's consumption, according to the sales of the last preceding year'.]

X And be it further enacted by the authority aforesaid, that from and after the tenth day of October, one thousand seven hundred and eighty-four, there shall be charged, raised, levied and paid, unto his Majesty, his Heirs and Successors, the several and respective additional rates and duties upon all inhabited houses, as herein-after mentioned, according to the number of windows or lights in each. . . . [A list of rates follows.]

[1] Average price.

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The Case of the Cotton Industry, 1788

FROM *An Important Crisis, in the Callico and Muslin Manufactory in Great Britain, explained,* 1788, pp. 1–3, 14–17. This tract, putting the case of the cotton industry against the Company's imports, is known to have been written by Patrick Colquhoun, who wrote extensively on economic and social questions.

Few questions of greater importance than what is now to be stated, on a subject of inland commerce, have ever engaged the attention of the British government.

The magnitude of the object, and the various interests which are involved in the discussion, cannot fail to press the subject on the mind of every person connected with the political, the landed, or commercial interests of Great Britain.

The cotton manufactory, although generally believed to be very extensive, yet the magnitude of this trade, and the national advantages derived from such a combination of human labour with ingenious machinery, can scarce be supposed to have made an impression equal to the importance of the object; because the progress has been rapid beyond example.—It has burst forth, as it were, upon the country, in a moment, giving a spring at the same time to the industry of the people, unexampled in the annals of the world.

It is not above twenty years since the whole cotton trade of Great Britain did not return £200,000 to the country for the raw materials, combined with the labour of the people; and at that period, before the water machinery and hand engines were successfully introduced, the power of the single wheel could not exceed fifty thousand spindles employed in spinning the cotton wool into yarns.

At the present moment, this power of spindles, capable of being

applied to the same purpose, amounts nearly to two millions, in all Great Britain; and the gross return for the raw materials and labour, exceeds seven millions sterling.

From the rapid encrease of the trade, it is plain to demonstration, that in the common articles of apparel there is not room in the British markets both for the home manufactures, and for the same species of goods imported from India.

It comes, therefore to be a question of state policy, to whom the preference should be given?

Independent of what the British manufacturers have to plead, as being the immediate subjects of the state—as contributing, by themselves and the great body of the people they employ, to the resources, the strength, and the security of the nation, by the increase of population and certain permanent revenue; they have to state, that these advantages, and the support of the large establishments they have made, depend on their having a decided preference in their own market. If precedents are even necessary in the case of the East India Company, the statute books exhibit a progressive system of protection for more than a century. And surely upon no principle of natural right, of sound policy, or public expediency can it be asserted, that the British market should not be completely open to its own native manufactures.

Without wishing in any respect to lessen or abridge the importance of the British territories in India, it may be fairly stated that this nation can only look for certain and permanent resource and protection in the bosom of the country—in the produce of the industry of the people, and in the fit application of this industry, than which no article that ever the wit of man devised affords so copious a field as the cotton manufactory.

The territories of India and its revenues, whether in possession or prospect, are held by a much more precarious tenure. Independent of the heavy expence of protection, these territories may be wrested from this country by the fortune of war, or by other means producing the same effect.

In every view therefore the claims on behalf of these distant settlements to be placed nearly on a footing with the national manufactures, must fall to the ground. And if the revenue in question is to be remitted in cotton goods, similar to what can be produced in Great Britain, such revenue is fallacious—it is only worth the amount of the raw material; and, circumstanced as the British artists now are, with powers to carry the cotton manufactory to any extent, a revenue so paid becomes a serious misfortune, in so far as it trenches upon that labour which could be performed at home with those infinite advant-

ages to the state, which never can be derived from the same species of industry applied to the manufactures of India.

Thus it appears, that what may possibly be conceived at first view as a national blessing, shall, under certain circumstances, prove a great public misfortune.

Not that it is meant to insinuate, that the British territories and the trade of India are incapable of being rendered beneficial to Great Britain. The resources of that country are very extensive in various raw materials, to the culture of which it may be possible by degrees to turn the industry of a part of the people, who may be much more beneficially employed than in earning the scanty pittance they receive for their manufactures; and upon which, notwithstanding the low price, the East India Company are said to make no profit.

The First Report of the Select Committee of the Court of Directors on Exports, 1 September, 1791

FROM *PP. (1731–1800)*, xcvi, no. 774(b)i. The Company is giving its reply to a request by the Board of Trade for its views on the possibility of increasing exports of British goods to India.

Previous to any remark on the internal consumption of Europe goods within the British possessions in India, some observations on the staple manufactures at home become necessary.

The first in point of importance is the article of woollens, to which the greater part of this report will apply.

Others consist in articles made of cotton and of silk; these are made better and cheaper in India.

Linens, none of which are used, except canvas, and some coarse linens, callicoes, &c. being much better adapted to the climate.

Earthen ware, which cannot afford freight for so distant a voyage, particularly the common sorts.

All manufactures made from metals come under the same description, except naval or military stores.

There is reason to believe that both the two last articles of earthen ware and manufactures of metal, can be made cheaper in India, owing to the very low price of labour; and a doubt arises with regard to the natives, whether the same prejudice does not exist (at least in some degree) respecting the vessels they use, as the dress they wear.

Under these circumstances, your Committee are decidedly of opinion, that the greater part of the exports to India consists in

Woollens,
Metals,
Naval and Military stores.

The remaining articles are of trifling amount in comparison; almost wholly for the use of Europeans, and cannot be introduced as part of the general consumption of the natives of India.

Sufficient proofs have been adduced, to shew that the Indian markets have not only been glutted with woollens, but that every endeavour has been used to force a sale.

That notwithstanding the discouraging advices from India, the Company have persevered in their export, without much variation in point of quantity, conceiving that an uniform demand and export were far more beneficial to the manufacturers, than capricious or unequal exertions.

Instances have occurred when the sale abroad has almost stagnated, and particular articles have been totally disused. The manufacturers having represented the distress to which they should be subjected, unless relieved by the Court of Directors purchasing part of their stock, which was unsaleable at any other market, the Company have, on these occasions, contributed in the most liberal manner to their relief, and augmented the exports accordingly.

The fine cloths are for the use of Europeans, but their amount is small. The demand for coarse cloths is by far the most considerable. They are appropriated to cloathing for the army; such as are sold to foreigners are almost entirely of the inferior sorts, and used for the same purpose; even a considerable proportion of the fine cloth is for the use of the military officers; in short, it is to be feared that no reduction in the price of woollens will increase the consumption in a country where so many substitutes for that article are found better suited to the climate, and more congenial to the customs and prejudices of the inhabitants.

Your Committee, in the progress of their inquiry, have had but little occasion to touch upon the subject of metals. It is conceived the information desired by the Lords of the Privy Council on this point, may be comprized in a small compass. Besides, the demand from India having been encouraging, the Company have increased their exports of this article in a very unusual manner, as will appear by the account hereunto annexed.

In the disposal of metals no great ingenuity, nor extraordinary exertions are requisite. It is sufficient to be acquainted with the form and the degree of fineness of the article required by the natives, and to take care that public sales be made at stated periods, sufficient to supply the demand; all this has been done by the Company.

The effort made by the Company when they came forward to relieve the distress of the county of Cornwall, by exporting a large quantity of tin to China, having succeeded beyond their expectations, there is no doubt but that the measure will be pursued in a proper manner.[1]

[1] The Company had started to export Cornish tin on a large scale in 1789.

'Hints respecting the E[ast] I[ndian] Trade', 4 March, 1793

FROM IOR, Charters, xi. This memorandum, submitted to Henry Dundas during the debates on the renewal of the Company's charter, describes the grievances of the British community in India against the Company's monopoly. It is endorsed 'Mr C', which probably indicates that it was written by John Cochrane, a private merchant in India.

The trade of India has undergone considerable changes and improvements, and new articles of remittance found out both to China and Europe, especially in sugar, raw cotton, and indigo, all of which articles have been brought forward by the industry of private individuals, almost without any essential aid from the Company and shews what may be done were the present restrictions done away—and the trade thrown open. This question has much engaged the attention of individuals, but as it would strike at the private interest of many persons it is necessary to examine who they are.

First the opening of the trade would no doubt lessen the influence, and patronage of the Directors, besides other advantages connected with their situation.

But the most formidable oposition is from the shipping interest—those who have got possession of that branch have not only got a great influence in the Court of Directors, but have also a great influence even with government. The ships new built for the Bengal trade, are neither well calculated for it, nor are they frugal and economical, and merely calculated for the convenience of the captains. The ships' husbands have a great deal of patronage, and derive great emoluments from the management, and the Directors have all a certain degree of patronage in these ships. This is the millstone which hangs about the neck of the business, and to which it is much feared the industry

and happiness of millions will be sacrificed,—what obligations does this country lay under to these men to make such a sacrifice? Is the heavy tax already levied on the public by an extravagant freight the grounds upon which they build their claims? They can advance no sensible argument in their favour, but trust solely to a weight of interest to carry all before them, and it is very evident that the continuing the exclusive trade does not so much originate from the Company, as from the shipping interest.

But if the government of this country now feel such a combined interest so formidable, what must it be when it is ten times greater? The whole number of ships to Bengal in a season seldom exceeds 7, 8 or 10. Such a number of ships may answer for fine goods, but when the trade is extended to bulky articles such as sugar, cotton or rice, how is it possible for the Company to manage and conduct such a number of ships? There are several individuals in Calcutta who could load double the number of ships the Company employ with sugar etc. from Bengal.

The following arrangement I would recommend.

Let the Company reserve to themselves the following articles from Bengal, which will be sufficient to load as many ships annually as they ever sent to Bengal. Saltpetre, piece goods of certain qualities—raw silk and pepper are all the articles they formerly dealt in. As many ships will be employed as usual, the shipping interest will have no just cause of complaint, and the Company will trade as usual.

Throw open all the other articles to the merchants at large, allow them to employ what shipping they please and to consign their goods to their own agents.—Let the ships be British property, and a licence taken out with security for the owners for their good behaviour.

Henry Dundas to Francis Baring, 16 February, 1793

FROM *Papers Respecting the Negociation for a renewal of the East-India Company's Exclusive Trade,* 1793, no. i, pp. 7–9. Dundas is explaining to the Chairman of the Company the modifications which he believes should be made in the Company's monopoly on the renewal of its charter.

Sir,

A Variety of necessary avocations have prevented me from returning an earlier answer to your letter of the 17th January, inclosing, 'Hints for the Purpose of forming an Arrangement for the Renewal of the Company's exclusive Trade.' I shall now state to you a few observations on the objects of that paper; and, I trust, by doing so explicitly, it may enable the Court of Directors to take the subject under their consideration more in detail than has hitherto been done. As I mean in the observations I am now to offer, to submit my general ideas on the subject, without concert (it not being yet matured for such concert) with the rest of his Majesty's confidential servants, I must reserve the privilege of reconsidering any of the points on which I may have occasion to give an opinion, if upon farther reflection, I shall see cause to alter it in any respect.

The hints transmitted to me are classed under three separate heads, and I shall observe upon them in the same order.

With regard to the first, *viz.* 'the government of India with the conduct and management of the territorial revenues,' I find it unnecessary to trouble you with any detail in the present stage of the business. If the mode at present adopted for the government of India is to be examined on any principles of general theory, it may be liable to many criticisms; but it has been proved by experience, to answer the purpose of a successful and prosperous administration of our Indian

affairs, and under these circumstances it seems much wiser to found on the basis of established systems, than to substitute in their room the most plausible untried theories. It may perhaps be thought right to make some variations on the present form of the Board of Commissioners for India Affairs; but as these will not vary any of the general principles by which the business is at present conducted through a Board of Commission, and the Court of Directors, it is unnecessary in the present general sketch of the subject, to enter more minutely into that detail.

The second head is a consideration of great importance, and upon which there is undoubtedly great difference of opinion; but meaning frankly to throw out the opinion I at present entertain, I am free to say, that, under all circumstances, the advantages of continuing the trade under an exclusive charter do, in my judgment, greatly outweigh the force of any objections which have reached me on the subject of the Indian monopoly, and I am sanguine enough in my opinion to believe, that when the subject is canvassed to the bottom, the merchants and manufacturers of Great Britain and Ireland, who are supposed to be the most interested in the decision of the question, will concur with me in that opinion. But in delivering this opinion, I desire to be understood as speaking of a *regulated monopoly*, by which expression I mean, that the monopoly must be so regulated as to ensure to the merchants and manufacturers the certain and ample means of exporting to India, to the full extent of the demand of that country for the manufactures of this, and likewise a certainty that in so far as the produce of India affords raw materials for the manufactures of Great Britain or Ireland, that produce shall be brought home at a rate as reasonable as the circumstances of the two countries will admit of.

In stating this observation, I am not bringing forward any jealousy that I personally entertain on the subject, for the knowledge I have derived of your affairs by the experience I have had in the government of India has enabled me to witness the great exertions and improvements you have made in the conduct of your commerce, with a view to the very objects in question; but the fact is notorious, that a clandestine trade to a considerable extent is certainly carried on between Europe and India, on a capital provided by British subjects, both in Britain and India. And so long as that trade continues the public will not be satisfied that every thing has been done by the East-India Company that can be done; and, of course, will not be satisfied with the continuance of a monopoly, unless they are experimentally convinced, by some mode or other, that the two objects, both of export and import to which I have referred, are secured by arrangements sufficiently adequate to the purpose. I certainly will not take upon me

finally to form an opinion on this subject, without a full conference with you and the committee of the Court of Directors. But my present sentiment is, that the essential objects to which I have referred, can only be accomplished by the East-India Company, affording an additional tonnage adequate to the exports from Britain and Ireland, and to the imports from India; and this must be done at a rate of freight so reasonable as to satisfy the merchants and manufacturers of this country, that the effect of the monopoly of the East-India Company is not calculated to bring an unnecessary, and, of course, an unjust burthen on the manufacturing interests of Great-Britain and Ireland. And I have the less difficulty in holding out this idea, because it is obvious, that if the trade of the East-India Company is conducted on true commercial principles, they can afford to be the carriers both of European and Indian goods cheaper than any individual merchant or trader can on his own private capital.

In this view of the question, the proposition seems reasonable on both sides; for if the exporter of British goods, and the importer of Indian raw materials can accomplish both objects at an expence more moderate than he himself can afford to do it, he can have no reason to complain of the Company's monopoly; and, on the other hand, if the East-India Company do not contribute their aid to those essential objects, by furnishing freight at a cheaper rate than any individual can do upon his own bottom, it is a proof that the allegation of the Company's trade, not being conducted upon the true principles of commercial economy, is better founded than I am, at present, disposed to believe it to be. I am aware, that there may be difficulties in the execution of this proposition, even admitting the principle to be a just one: but these are more properly the subject of future conference. I am satisfied the difficulties are not insurmountable, and I am sure it is the duty, as it must be the inclination of the East-India Company to smooth, to the utmost of their power, every difficulty that may occur in this essential part of any future arrangement.

The Charter Act of 1793

FROM *An Act for continuing in the East India Company, for a further Term, the Possession of the British Territories in India, together with their exclusive Trade, under certain Limitations . . .*, 33 Geo. III, c. 52.

LXXXVII And inasmuch as the ensuring to private merchants and manufacturers the certain and ample means of exporting their merchandize to the East Indies, and importing the returns for the same, and the other goods, wares and merchandizes allowed by this Act, at reasonable rates of freight, may essentially conduce to the advancement of the trade and navigation of these kingdoms; be it further enacted, that the said Company shall, in the proper season of every year, provide and appropriate three thousand tons of shipping at the least for the specifick purpose of carrying to the East Indies such goods, wares and merchandize as may be lawfully exported thither by individuals; and for bringing back from thence as well the returns of the same as likewise the goods of other persons entitled to import the same into this kingdom by virtue of this Act; and if the said quantity of tonnage shall be found insufficient, or shall be found to be more than shall be sufficient for the carriage of the said private trade, export or import, the said Company shall from time to time find and provide such an additional quantity of tonnage, or lessen the quantity of tonnage to be provided for the carriage of the said private trade, as the Board of Commissioners for the Affairs of India shall, upon any representation made to them from time to time, order and direct.

LXXXIX Provided also, and be it further enacted, that the said Company shall be entitled to charge and recover, from the owners of goods imported or exported in private trade, such rates of freight for

the carriage thereof as are herein-after specified, and not any higher rate or rates, any law or usage to the contrary notwithstanding; (that is to say,) for the carriage of any goods from Great Britain to any port or place in the East Indies in time of peace, after the rate of five pounds per ton, and for the carriage of any goods from any part of the East Indies to Great Britain, after the rate of fifteen pounds per ton, computing such tonnage in the same manner as the tonnage of goods shipped by the said Company on their own account;[1] and that in times of war, or preparations for war, between Great Britain and any other European power or state, or when any circumstances incidental to war, or preparations for war, shall happen, whereby an increase in the rates of freight payable by the said Company shall become unavoidable, then or as long as such war, or preparations, or other circumstances shall continue, the said Company shall be entitled to charge and recover, for the carriage of the said private trade, additional rates of freight, after a due proportion to the additional rates of tonnage which shall be paid by the said Company for the hire of ships for their own trade, and at or after no higher rate or proportion.

[1] In 1792 the average freight charged for voyages to India on East Indiamen over the previous thirty years was said to have been £26 10s per ton (IOR, Home Miscellaneous, vol. 399, p. 24).

Opposition to European Colonization in India

FROM The Report of a Special Committee of the Court of Directors on a proposal to allow Indian-built shipping to come to London, 27 January, 1801. *PP.* 1801, vii. 120–1. The Report is trying to indicate the political dangers implicit in any relaxation of the Company's monopoly.

If, instead of carrying on the intercourse, commercial and political, of this country and its Indian dependencies through one great channel, the East India Company, which has so much contributed to preserve a vast people in their original habits of submission, the ships of British individuals were permitted to go and come at pleasure, a great change in the political circumstances of British India must, from the nature of things be expected. Hitherto the want of an unexpensive legal channel to India, and the difficulties of getting into employment in our dominions (for native governments invite only desperate military adventurers) have prevented a great influx of British Subjects into them, though foreign ships have been open to those who could afford to pay them, and our governments have chosen rather to license persons who had found means to settle themselves there, than to force them from all their concerns. But the proposed system would, at once, confer both right and employment on multitudes; and it is from an institution communicating these encouragements, that, in the opinion of your Committee, danger is to be apprehended. The residence of a limited number of Europeans in our provinces, as things at present are, is not a ground of any alarm, provided that number can be kept from increasing; but in the proposed system, there would be a principle of progressive increase, and this, your Committee fear, might justly be considered as the first principle of a colonial system.

A continual course of detached commercial adventurers would en-

tail the residence of greater numbers of Europeans abroad; many others would be tempted to resort thither, in the hope of establishing themselves; gradually, in consequence of these changes, they would be enabled to strike out new modes of employment, and spread themselves in the country. Even now, the society of merchants in India discover a wish to be emancipated from every material restraint: that spirit would live and be more powerful in the larger society. Governments, then, would find it a new and arduous task to maintain order and subordination. Every port in India would be accustomed to the visits of adventuring Europeans; connexions between them and the country powers could hardly be prevented; part might go into the service of those powers; all could not expect fortunes to return; and those who saw no prospect of this kind, would naturally commence colonization. That the rights and usages of our native subjects might not be encroached upon in this progress, that these people, though passive, might not be at length exasperated, and that they might not, from example, gradually lose their habits of submission to government, no man can be warranted to deny: nor is it less probable, that a vast mass of native subjects, thus put into a new state of agitation, a numerous European community, progressively enlarging its views with its importance, and the combinations of Indian politics influenced by, and influencing these circumstances, might render it extremely difficult for this country to maintain, in that remote quarter, a government sufficiently strong and energetic to contain all these interests within their due bounds.

A Petition against the East India Company's Monopoly

The Petition of the Hallamshire Cutlers against the Renewal of the East India Company's Monopoly, 22 March, 1813.
FROM *Journals of the House of Commons*, lxviii. 331.

A petition of the Master, Wardens, Searchers, Assistants, and Commonalty of the Company of Cutlers within Hallamshire, in the County of York, was also presented, and read; setting forth, that the petitioners are of opinion that a free trade to every part of his Majesty's dominions is the natural right of all his subjects; and that such trade ought to be liable to no restrictions which do not evidently promote the advantage of the Commonwealth, for in their very principle restrictions are only temporary, and ought to be removed as soon as the balance of public interest between a free trade and a monopoly is restored in favour of the former; and that, on the first day of March 1814, the entire right of commerce in the seas and to the territories between the Cape of Good Hope and the Streights of Magellan, granted by Parliament to the East India Company, will expire, when the free trade in those seas and to those territories will of course revert to all his Majesty's subjects, to whom it belongs, and from whom it ought not to be withheld unless the paramount interest of the state itself requires a continuance of the afore-mentioned monopoly; and that, since the incorporation of the East India Company, the British dominions in that quarter of the globe have been so greatly enlarged, that it is impossible for the Company, in its present circumstances, to carry on a traffic throughout the East commensurate to the extent of territory under the government or controul of his Majesty, whence their monopoly is not even beneficial to themselves in proportion as it is detrimental to the general interests of British commerce; and that it is well known to the House, and to the public at large, that the

prosperity of the East India Company has not increased with the glorious progress of his Majesty's arms, which have left the enemies of Britain without a colony; and that the annual exports of our home manufactures to all the regions of the East scarcely amount to one-fifth of the ordinary exports to the United States of America, though the former countries exceed the latter seven fold in extent, and fifty fold in population: hence the petitioners presume, that, after the expiration of their Charter, the Company, still remaining a corporation, may fully, if not more profitably employ their funds in the trade as heretofore, while the mother country will be benefited beyond what it has been or can be under the monopoly, to the extent of additional commerce opened by the industry, spirit, and capital of enterprizing individuals; and that the intercourse of the East Indies and China, prohibited to the subjects of these realms, having been conceded to foreign powers in amity with his Majesty, the merchants of the United States of America have been enriching themselves commercially, and politically exalting their own nation, and supplying many parts of the world with East India produce, to the loss of this country; and that, being unwilling to mingle complaints with the prayer of this petition, which they would rather rest upon the ground of justice and of right, they shall not dwell here on the difficulties under which, as merchants and manufacturers, the numerous inhabitants of that district labour in the present circumstances of our country, but they look with confidence to their representatives in Parliament for relief, under temporary calamities, by an unreserved grant of every facility to commerce which the interest of the whole state demands, and which the most liberal policy will justify: the petitioners, therefore, do most earnestly and respectfully intreat the House not to deprive the whole body of British merchants of any part of their rightful inheritance, a free trade to every part of his Majesty's dominions, by renewing the Charter of the East India Company after the 1st day of March 1814; and they rely on the wisdom and virtue of Parliament thus to turn to the utmost advantage the immense possessions of our Sovereign in the East, to counterbalance, in some measure, the iniquitous and tyrannical prohibitions of our enemy on the continent of Europe, to compensate for the interruption of friendly intercourse with the United States of America; and above all, to render our country so far independent of commerce with rival nations, that, whether at war or at peace, we may have strength and resources within ourselves to conduct the former with glory and success, and to enjoy the latter with honour and security: and further praying, that they may be heard, by themselves or their counsel, at the Bar of the House.

Lord Grenville on Indian Trade, 1813

FROM *The Substance of the Speech of Lord Grenville on . . . 9th of April, 1813, for the production of certain papers on Indian Affairs,* 1813, pp. 41–3. Lord Grenville is arguing that the abolition of the Company's monopoly would be greatly to the advantage of India as well as of Britain.

What a powerful motive does it then suggest to us for throwing open the ports and markets of India to British capital and enterprize, for inviting to her harbours the ships and merchants of every quarter of the globe, and securing to her, as far as legislation can secure it, the fullest benefit of the most unqualified commercial freedom! If some evil must unavoidably result to her from her subjection to a distant sovereignty, let it at least be compensated by the unrestricted enjoyment of all her local advantages. The anxiety which I feel (I have already so stated it), is not for the transfer but for the extension of Indian commerce; not, as some have expressed it, to give to Englishmen the benefit of that trade which foreigners now enjoy, but to give to India the benefit both of British and of foreign trade. To administer those vast possessions on colonial principles would be impracticable if it were just, would be unjust if it were practicable. In a British House of Lords I trust we are not deliberating on the means of ruling sixty millions of men in sole subserviency to our own advantage; nor if this were our object, should I consider the establishment of colonial principles of commerce and government in India as in any manner calculated to promote it. But it is as much the moral duty of a British statesman to consult the prosperity of that, as of every other portion of our Empire, subjects of the same sovereign, members of the same community, we submit ourselves with equal obedience to the same legislature, and we are entitled to receive from it the same

protection: varied indeed in form, and adapting itself in its regulations to the differences of local situation and moral character; but directed always with an impartial hand to the same common object, that of promoting the strength and greatness of the whole by carrying to the utmost practicable height the prosperity of every part.

To our own merchants an open competition is sufficient. They ask no more. To this, and not to any exclusive privilege the King's ministers have recognized their just pretensions. But still more powerful is the appeal which reason and nature urge to us, in behalf of the people of India. Irresistible indeed is their claim to a free trade limited by no corporate rights, no national monopoly: a free trade not merely with their fellow subjects in Europe, but also with every friendly nation throughout the habitable globe. It is the glory of our ancestors, that in the first moments of recovered freedom, in the hour when commerce and legislation were but as yet beginning to dawn on Europe, they recognized the rights of commercial interchange between mankind, proclaimed to foreign nations a secure and unmolested intercourse with the ports and markets of our country, and sanctified this just and beneficient principle to all succeeding times by incorporating it into the great charter of their own liberties. By what different rule shall we, their descendants, in this more liberal and enlightened age, with morals humanized by knowledge, and benevolence animated by purer religion, administer the interests of this vast empire, which the unsearchable decrees of Providence have subjected to our dominion? Provinces whose industry, and arts, and commerce are far more antient than our own! Kingdoms which by the free exercise of these their natural advantages had already risen to opulence and refinement, while we were yet sunk in barbarism!

A Report of a Committee of Correspondence of the Court of Directors, 9 February, 1813

FROM *PP.* 1812–13, viii. 7–9. The Company is giving its reply to the petitions for the abolition of its monopoly. Charles Grant was probably the Report's author (Embree, *Charles Grant*, p. 265).

With respect to that species of exclusive privilege, called the East India Company's monopoly, your Committee cannot begin their remarks upon the accusations brought against it, without lamenting the surprising want of information which the generality of the petitioners discover relative to the Company's system, conduct and affairs; and your Committee are compelled to add, a mortifying defect of attention also regarding things that could not possibly be unknown to the petitioners; they treat the whole question of the monopoly, as if it were purely a commercial question; as if it involved no high question of policy; as if it stood unconnected with the acquisition, the government and the preservation of a great Indian empire; and as if, from its political relations, the question concerning it had no bearing on the British constitution. Thus, say some of the petitioners 'the reasonings in favour of the monopoly proceed from narrow partial views, demonstrated to be fallacious, and which will apply equally to every other branch of British commerce'; whereas it is abundantly obvious, that the exclusive commercial privileges enjoyed by the Company in the Indian trade (however well entitled they are to them on other accounts) are contended for by them, and have been continued by the legislature, mainly because deemed to be necessary for the political government of India, and not at all on account of any pecuniary participation, which one of the petitions erroneously assumes to be now in question. The same cause also was understood to require the continuance of the China monopoly, though that privilege stands upon other irrefragable grounds, as the unlimited ad-

mission of British ships into any quarter of the Eastern Seas could not be thought compatible with the system adopted for the security of our Eastern territorial possessions. The commercial monopoly therefore is, in a word, an instrument in the hands of the Company, for the political government of India. Such it has been maintained by them, and admitted by ministers in the discussions respecting the Charter to be; but this great truth, either as a fact or as a principle, is unnoticed in the petitions. Some of the petitioners are indeed so just as to recollect that the India Company have territorial rights, and to say that it is not their wish to trench upon them; but they do not seem to be aware, that those rights can be enjoyed only through the medium of commercial privileges, or that any provision can be made for securing them compatibly with their own claims for an universal opening of the Eastern trade. The petititioners proceed, not only as if the renewal of the privileges in the Indian trade were merely a question of commerce, but as if it were a question of strict monopoly, such as was agitated in King William's time. To the admission given to private merchants into the Indian trade, by the Act of 1793,[1] enlarged by the arrangement of 1802,[2] and in practice occasionally still extended (not to speak of the considerable privileges enjoyed by the commanders and officers of the Company's ships)[3] the petitioners do not advert, except to blame the Company for the alleged inefficiency of all those concessions, which in reality greatly relaxed the monopoly, and made it what the late Lord Melville called a regulated or qualified monopoly.[4] In thus censuring the Company, the petitioners resort to some representations formerly brought against them, and sufficiently answered on their part; except in respect to the irregular dispatch of the extra ships from India, a matter originating with the governments there from the political circumstances of the times; but that controversy is now past, and quite irrelevant to the present state of things: for another point to be held up to particular attention is, that the Company have lately acquiesced in vastly larger concessions, that is, in a general trade between the United Kingdom and India, through the port of London.[5] Yet this new and great change in the Indian system, the petitioners too generally overlook. That it has ever attracted their notice is only

[1] See above, pp. 217–18.

[2] The Company had agreed to increase the amount of tonnage available for private trade in 1802 by employing extra shipping at freights cheaper than those charged on the regular East Indiamen.

[3] 3 per cent of an East Indiaman's cargo space was allotted to the ship's officers for their own 'privileged' goods.

[4] See above, p. 215. Dundas became Viscount Melville in 1802.

[5] The Company had conceded this in the early stages of the negotiations for the renewal of their charter.

to be inferred from their contending that the trade shall be general to all the ports of the Kingdom; but, in their attacks upon the Company, they act as if the whole original structure of the monopoly were still standing and obstinately defended; and when the Company acquiesce in large relaxations, the petitioners nevertheless persist in charging them with all the evils of the most rigid monopoly, for the purpose as it would seem of aggravating the case against the Company in the eyes of Parliament and of the public, and strengthening the prejudices which so much pains have been taken to diffuse. Thus the political part of the Company's system and its intimate connexion with commerce, is left entirely out of sight; and the present state of the Company's commercial privileges is not accurately represented, nor the actual state of the question concerning the future measure of those privileges fairly brought into view.

But it ought to be again and again pressed upon the public attention, that the first and great object in any new arrangement for India, is not commercial, but political; and that the safe and beneficial administration of that empire, is a consideration paramount to all others. No one has denied, either that the Company have conducted and do conduct the administration to the great improvement of the security and happiness of the vast population that empire contains, or that the government of it should remain with them, and consequently that the means requisite to enable them to continue to execute so great a trust, should also be afforded. The nature and extent of those means form, therefore, the precise question now at issue; but on this important point, as has been already intimated, the petitions in general are quite silent, and the propositions contained in them go to deprive the Company wholly of those means, particularly the monopoly of the China trade, the reasons for continuing which will be explained in a subsequent head.

With regard to the effects of the monopoly on the manufactures, trade, and other interests of this country, if any thing said in these days to the discredit of the Company, could occasion surprise, it would be the representations given in the petitions on that head. The Company are accused of obstructing the export of the manufactures of this country, even by some (with an honourable exception of the rest) of those woollen manufacturers who have owed their chief employment to the Company's commissions, continued for the benefit of the nation, under a certainty of deriving no profit from the exported article.

Of those 'undeniable documents', by which one of the petitions in an authoritative style affirms, 'it is proved, that if the trade be allowed to remain under its present restrictions, it will languish, decay, and pass into the hands of other states; that the monopoly must, if con-

tinued, diminish the resources of private wealth and of national revenue'; your Committee have never heard, and they cannot conceive that any such documents exist. It is more probable that the petitioners have put their own sense upon the statements of the Company, which furnish the most authentic materials in this case, and if fairly examined, with a reference to other relative circumstances, will lead to conclusions directly opposite. The subject of the American trade to India, which seems chiefly alluded to, will be discussed in the sequel. That trade, as will hereafter more fully appear, has owed its increase essentially to the state of war in which this nation has been placed for a long series of years past. If the American trade with India were still going on, a much easier and juster remedy for the alledged evils of it could be found, than the extinction of the Company's remaining commercial privileges. But these heavy forebodings are pronounced, when America and every European nation (the distressed one of Portugal excepted) are actually wholly excluded from the Indian seas.[1]

There seems to be a general and deplorable delusion respecting the practicability of a vast extension of the sale of the manufactures of this country, in India and China, and of the productions of those countries here. This question will be the immediate subject of a following article; but your Committee may, in the mean time, confidently say that the Company have, in a long course of years, made more numerous, persevering, costly experiments, in attempting to push the vent of British commodities, particularly woollens and metals, in the East, than the means, the resources, the safety of private merchants, are likely to enable them to make. The correspondence of the Company with their servants abroad at different periods, on this interesting concern, would fill many volumes. That the East India Company, far from impeding the prosperity of the country, as the petitions, in opposition to history and experience, allege, have by means of their monopoly essentially contributed to its wealth and its greatness, it will be much more easy to shew, than to discover accurately, where the limit of the advantages resulting from their institution is to be fixed. They gave a very early impulse to the manufactures and trade of this country; they opened a new commerce, not with the East only, but, by means of their returns from thence, with foreign Europe; they soon increased the shipbuilding and improved the navigation of the kingdom, both which they have, in latter times, carried to a degree of advancement that has made their fleets serviceable in the wars of the nation, and the commanders successful in

[1] American commerce with India had been interrupted by the embargo placed by Jefferson on trade with belligerents in the European war. Since 1812 Britain and the United States had been at war.

adding to the naval glory of their country. Against the jealous rivalship of the Portuguese and Dutch, they, through a long course of hostilities from a superior force, maintained for this nation a share in the India trade; they preserved it from being totally lost, amidst all the convulsions of the civil wars; they outlived even the more dangerous innovations of subsequent periods; they upheld in India the national interests against the ambitious designs of European enemies, and the despotic violence of native powers; and in a long and arduous struggle, maintained, with little exception, at their own expense, they acquired a territorial empire for the mother country, which exalted its rank in the scale of nations. They have, since expelled every European nation, except our ally of Portugal, from the Indian continent and ocean, and they have given a better government to an immensely extended empire, than the East ever saw before.

In all this progress, not the ability and wisdom of their civil servants only have been conspicuous, but the talents and valour of their military officers have signally added to the glory and renown of the British nation. By those officers, a grand army has been formed of native troops, in discipline, attachment and efficiency, a just subject of admiration; and from the time of the first Clive downward, the exploits performed by the Company's military servants in India, equal in brilliancy those recorded in any period of modern history.

To all these public benefits is to be added, the direct wealth with which the Company have been the means of enriching the nation. The amount of these contributions, consisting in the profits of manufacturers, ship-builders and tradesmen, ship-owners and officers, servants and labourers, miners, re-exporters of Eastern productions to foreign parts, and other descriptions of persons gaining by the Company's trade, in dividends to proprietors, payments to government, and the influx of private fortunes acquired in India, especially in the last fifty-five years, may perhaps be moderately estimated at one hundred millions sterling. Such are the injuries, the grievances, the evils, such the degradation, which the East India Company have brought on the country.

A Defence of the Company's Monopoly, 1813

FROM *A Short Conversation on the Present Crisis of The Important Trade with the East Indies,* 1813, pp. 22–4. This is an extract from an anonymous tract published in defence of the East India Company in the controversy over the renewal of the charter. Its purpose is to ridicule claims that British exports to Asia will be greatly increased under a free trade.

Shopkeeper—I know the possessors of the monopoly always hold out such frightful prospects to deter people from seeking to engage in the India trade, by which they themselves, 'from the Director down to to the door-keeper of the palace in Leadenhall-street, are amassing independent or princely fortunes.' But I am not to be terrified by bugbears. I am determined to send an adventure of well assorted goods to India as soon as possible after the trade is opened. I mean to send a stock of wine, rum, cyder, and porter; a parcel of butter and cheese; a good assortment of broad cloths and silk. My friend Dickins is to lay in blankets and negro clothing for me. My neighbour Whalebone is to make me up an assortment of lady's stays. Neighbour Steel has offered me a capital parcel of skates at very low prices: and Sable, the undertaker, has promised me a good assortment of coffin furniture at a long credit.

Adventurer—Some of my friends in Cumberland have agreed with some gentlemen in Liverpool and myself to be jointly concerned in a shipment of refined sugar, coffee, and coals, for which we expect to have good returns 'in grain, raw cotton, hides, hemp, and many other articles.'

Moderate Man—Do you really think that such a cargo will sell in India, or that the returns you propose can pay for the freight, unless, indeed, you can sail a ship of eight hundred tons with seven men?

Adventurer—To be sure I do. I learn from an author of the highest reputation, that 'all the extraordinary demand, which competition could occasion, must be but as a drop of water in the immense ocean of Indian commerce.'

Moderate Man—Ay, that is the opinion of Dr Smith. He was a great political economist, but not infallible: and he was most wonderfully deficient in the knowledge of the East-India trade, which, he supposed, was to be conducted like the trade with America and the West-Indies; whereas no two things can be more unlike.

Shopkeeper—It is easy to see, that you are very partial to the Company; and therefore you want to make us believe, contrary to reason and experience, that a great extension of the trade will be the ruin of it.

Moderate Man—I wish you to be guided by reason and experience. If you accuse me of partiality, you must also accuse true history of partiality. Read the history of the commerce of Europe with India; and you will find that the open trade ruined a great number of merchants in France: and, if I mistake not, the distress and ruin of families in this country, when the government connived at the practices of the interlopers, was much more extensive than in France.

The Charter Act of 1813

FROM *An Act for continuing in the East India Company, for a further Term, the Possession of the British Territories in India, together with certain exclusive Privileges . . .*, 53 Geo. III, c. 155.

VI And be it further enacted, that, from and after the said tenth day of April one thousand eight hundred and fourteen, it shall and may be lawful for any of his Majesty's subjects, in common with the said United Company, to export in ships navigated according to law, from any port or ports within the United Kingdom of Great Britain and Ireland, to all ports and places within the limits hereinbefore referred to; save and except the dominions of the Emperor of China; any goods, wares and merchandize, which can now, or may at any time or times hereafter be legally exported; and also, in common with the said Company, to import in ships navigated as aforesaid, from any port or ports within the limits aforesaid, save and except as aforesaid, into the said United Kingdom, any goods, wares and merchandize, the product and manufacture of any of the countries within the said limits, which can now or may at any time or times hereafter, be legally imported; subject nevertheless to the several restrictions, conditions and limitations, in this Act contained.

VIII Provided always, and be it further enacted, that it shall not be lawful for any person or persons, save only the said United Company or such as shall obtain their special leave and licence in writing under their authority, for that purpose, to ship, carry or put on board any ship in the East Indies, or other parts within the limits aforesaid, or to import into the said United Kingdom from any port or place whatsoever, any tea; any thing in this Act contained to the contrary notwithstanding.

X [Imports from the East Indies only to be brought to British ports which have been approved by the Treasury as 'fit and proper . . . for the collection of all duties payable thereon'.]

XI [Private ships intending to go to Asian ports other than the Company's 'principal settlements' to require special licences from the Court of Directors.]

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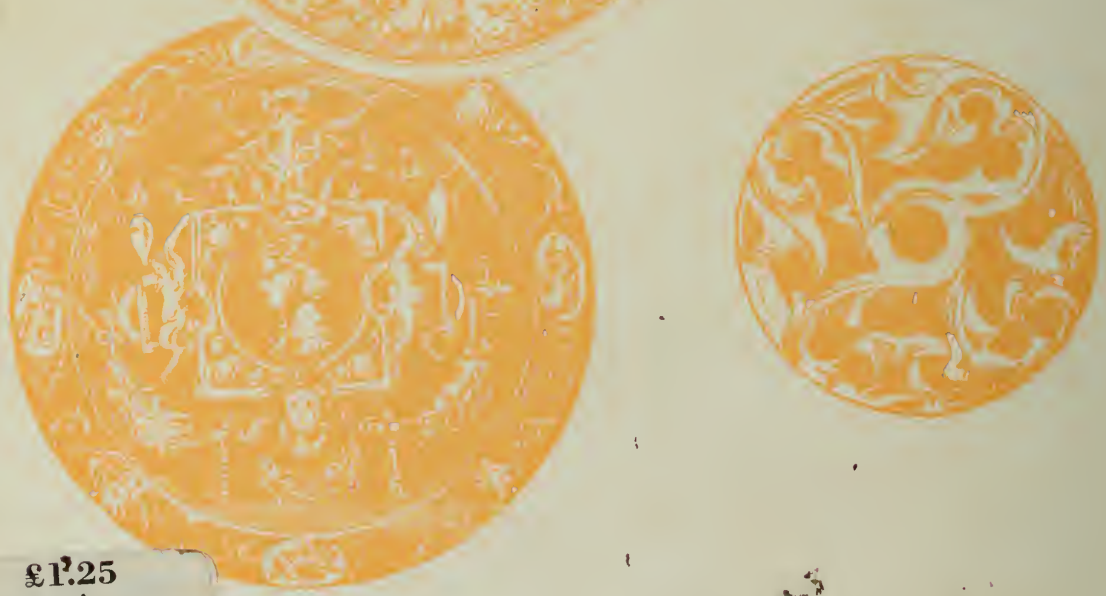
HISTORICAL PROBLEMS
Studies and Documents

This book is a study of the impact made on Britain by the conquest of large parts of India in the second half of the eighteenth century. The sudden success of the East India Company in subjugating a vast population with a sophisticated civilization created problems of an unprecedented kind for Britain. It raised in an acute form questions about the scope and limits of state action, the rights of chartered bodies, the duties of conquerors to subject peoples, the appropriateness of exporting western ideals and concepts of law and government to Asia, and the manner in which the resources of the East could best contribute to Britain's power and wealth.

These and similar topics were discussed at length in Parliament, the press, books and pamphlets, and in the correspondence of private individuals. A selection of this material, drawing on a wide and varied range of printed and manuscript sources, has been made to illustrate the arguments used in this debate and the manner in which solutions to some of the problems were gradually worked out over a period of more than fifty years. By 1813, after much trial and error, the outline of the political, administrative and economic links which were to bind India to Britain for much of the nineteenth century are already visible.



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